

SENATE

SATURDAY, JANUARY 28, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 212. An act for the relief of Messrs. Short, Ross, Shaw, and Mayhood;

S. 213. An act authorizing adjustment of the claim of Kenneth Carpenter;

S. 219. An act authorizing adjustment of the claims of Orem Wheatley, Kenneth Blaine, and Joseph R. Ball;

S. 252. An act authorizing adjustment of the claim of Johnson & Higgins; and

S. 563. An act for the relief of George T. Johnson & Sons.

The message also announced that the House had passed the bill (S. 284) for the relief of William B. Thompson, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 487. An act for the relief of Herbert G. Black, owner of the schooner *Oakwoods*, and Clark Coal Co., owner of the cargo of coal on board said schooner; and

S. 3147. An act for the relief of Anna Pokorny.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 792. An act for the relief of William Joseph Vigneault;

H. R. 973. An act for the relief of John L. Dunn;

H. R. 1177. An act for the relief of Peter E. Anderson;

H. R. 1936. An act for the relief of Sydney Thayer, jr.;

H. R. 2294. An act for the relief of C. A. Cates;

H. R. 2907. An act for the relief of Walter Sam Young;

H. R. 2917. An act for the relief of Primo Tiburzio;

H. R. 3044. An act for the relief of Anthony Hogue;

H. R. 3045. An act for the relief of Gustav Welhoelter.

H. R. 3627. An act for the relief of James Wallace;

H. R. 5548. An act for the relief of George Brackett Car-gill, deceased;

H. R. 6409. An act for the relief of William Joseph La-Carte;

H. R. 6851. An act to reimburse Gottlieb Stock for losses of real and personal property by fire caused by the negligence of two prohibition agents;

H. R. 7198. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H. R. 7263. An act for the relief of Felix Maupin;

H. R. 7548. An act granting six months' pay to Ruth McCarn;

H. R. 8136. An act for the relief of John J. Moran;

H. R. 9231. An act for the relief of George Occhionero;

H. R. 9326. An act for the relief of John E. Davidson;

H. R. 9336. An act for the relief of Emily Addison;

H. R. 9355. An act for the relief of David Schwartz; and

H. R. 9457. An act for the relief of Sperry Gyroscope Co. (Inc.), of New York.

ENROLLED JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had af-fixed his signature to the following enrolled joint resolutions, and they were signed by the Vice President:

S. J. Res. 239. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President elect in March, 1933, and for other purposes; and

S. J. Res. 240. Joint resolution to provide for the quartering in certain public buildings in the District of Columbia of troops participating in the inaugural ceremonies.

WITHDRAWAL OF AMENDMENT TO DEFICIENCY BILL

Mr. BINGHAM. Mr. President, last evening I offered an amendment to the deficiency appropriation bill. I thought it was possible for the District Commissioners to borrow the money needed for the relief of the poor and unemployed. I find to-day that it is against the law for them to borrow this money, and that if the bill is not passed to-day there will be real suffering. Therefore, although I still believe, as I said last night, that the United States Government ought to pay its debts promptly and I am in hopes that this may be done without too great delay through another deficiency bill which will come before the Senate soon, I withdraw the amendment which I have offered. I hope the deficiency bill may promptly be passed in order that it may become a law to-day if possible.

The VICE PRESIDENT. The Senator from Connecticut withdraws his amendment.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Cutting	Kean	Robinson, Ind.
Bailey	Dale	Kendrick	Russell
Bankhead	Davis	Keyes	Schall
Barkley	Dickinson	King	Schuyler
Bingham	Dill	La Follette	Sheppard
Black	Fess	Lewis	Smith
Blaine	Fletcher	Logan	Smoot
Borah	Frazier	Long	Steiwer
Bratton	George	McGill	Stephens
Brookhart	Glass	McKellar	Swanson
Broussard	Glenn	McNary	Thomas, Idaho
Bulkeley	Goldsborough	Metcalf	Thomas, Okla.
Bulow	Gore	Moses	Townsend
Byrnes	Grammer	Neely	Trammell
Capper	Hale	Norbeck	Vandenberg
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walsh, Mass.
Connally	Hatfield	Oddie	Walsh, Mont.
Coolidge	Hayden	Pittman	Watson
Copeland	Howell	Reed	Wheeler
Costigan	Hull	Reynolds	White

Mr. FESS. I wish to announce that the Senator from Missouri [Mr. PATTERSON] is detained from the Senate by reason of a death in his family.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

PERSONAL EXPLANATION—SENATE BARBER SHOP

Mr. LONG. Mr. President, I have never risen in the Senate for any matter of personal privilege until to-day, and I hope I shall not burden the Senate longer than a moment.

There has been a very widely circulated line of propaganda about privileges and immunities being granted to and indulged in by Members of the Senate. I have paid no attention to this kind of polecat publicity because it never has involved me until now. I see, however, that all over the United States a special press report is being circulated that it costs the United States Government \$60 a year to give me a daily shave in the Senate barber shop.

Until a day or so ago I did not know we have a Senate barber shop. I have never been in the barber shop, but I have found out that there is such an institution now that it has received notice in the press.

In order that the gentlemen of the press may get the matter straight I wish it to be understood that while I have never been shaved in the Senate barber shop, Abraham Lincoln was shaved in it, Daniel Webster was shaved in it, John C. Calhoun was shaved in it, Grover Cleveland was shaved in it, as were other gentlemen from 80 years ago down until the present time.

ANNUAL REPORT OF WAR FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant

to law, a report on the War Finance Corporation (in liquidation) for the calendar year ended December 31, 1932; which, with the accompanying report, was referred to the Committee on Finance.

USELESS PAPERS IN WAR DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting, pursuant to law, a report of papers and documents on the files of the War Department, which are not needed in the transaction of current business and have no permanent value or historical interest, which, with the accompanying papers was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. REED and Mr. FLETCHER members of the committee on the part of the Senate.

CHANGE IN DATE OF INAUGURATION

The VICE PRESIDENT laid before the Senate the following joint resolution adopted by the Legislature of the State of South Dakota, which was ordered to lie on the table:

House joint resolution (introduced by Mr. Painter) relating to the ratification of the lame-duck constitutional amendment

Be it resolved by the Legislature of the State of South Dakota:

Whereas both Houses of the Seventy-second Congress of the United States of America, by a constitutional majority of two-thirds thereof, proposed an amendment to the Constitution of the United States of America, which should be valid to all intents and purposes as a part of the Constitution of the United States when ratified by the legislatures of three-fourths of the States, which resolution is in words and figures following, to-wit:

SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

SEC. 5. Sections 1 and 2 shall take effect on the 15th of October following the ratification of this article.

SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission: Be it

Resolved by the House of Representatives (the Senate concurring), That said proposed amendment to the Constitution of the United States of America be hereby ratified by the Legislature of the State of South Dakota: Be it further

Resolved, That copies of the resolution be forwarded by the governor of this State, to the Secretary of State at Washington, D. C., to the Presiding Officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Washington, which was referred to the Committee on Finance:

HOUSE OF REPRESENTATIVES,
STATE OF WASHINGTON,
Olympia, January 23, 1933.

To the VICE PRESIDENT OF THE UNITED STATES,
Washington, D. C.

SIR: I have the honor to transmit herewith certified copy of House Joint Memorial No. 2, memorializing Congress in regard to the condition created by depreciated foreign currency.

Respectfully,

GEO. F. YANTIS,
Speaker of the House.

House Joint Memorial No. 2

To the Honorable the Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully present and petition your honorable body as follows:

Whereas the immediate and greatest need of this Nation is to establish a fully employed citizenship, and normally functioning private industry offers the most desirable employment opportunities, and the primary and largest market for American produce and manufactures is found in meeting the wants of the American people, and the necessary employment in supplying these wants belongs first to American workmen; and

Whereas without the free flow of gold, the common medium of international values, the exchange rates of many nations' currencies have, by application of the law of supply and demand, become divorced from the actual values of those currencies as measured in buying power within the bounds of the nation issuing the currency; and

Whereas depreciated currency is seriously handicapping American industry, and our foreign markets are stifled, and our domestic industries face destruction by increased imports from depreciated-currency nations; and

Whereas the economic life of the State of Washington is derived from basic industries, such as lumber, fish, pulp, wheat, fruits, coal, cement, and their allied industries, and the very existence of capital, industry, employment, wages, and our standards of living are based on the profitable operation of these basic industries; and

Whereas the Nation faces an emergency and the differences in money levels have existed for a long period and have not become adjusted; and

Whereas nations whose currencies are depreciated are able to ship merchandise into the United States, pay the existing tariffs, accept American currency in payment, and to make a greater profit on their merchandise than if sold in their own markets; and

Whereas such importations from more than 40 nations of the world into the United States under the existing depreciated-currency conditions has the effect of not only eliminating all tariff structures but of enabling such merchandise to be sold at such a low price in the markets of the United States as to handicap and paralyze American industry and increase unemployment, and the industries of the United States are facing bankruptcy and destruction; and

Whereas we believe that unless this legislation is immediately passed, chaos and ruin threaten the financial and governmental structure of the United States; and

Whereas Congressman SAMUEL B. HILL, of the State of Washington has introduced in the present session of Congress H. R. 13999, the official title of which is: A bill "To prevent loss of revenue, to provide employment for American labor, and to maintain the industries and agriculture of the United States against the effects of depreciation in foreign currencies"; and

Whereas the delay in enacting this bill into law at the present session of Congress is causing continued and alarming increase in unemployment in our industries, American industry and agriculture are being seriously harmed, and in many instances ruined, by this disastrous new form of competition, which is forcing hundreds of thousands of workmen to sacrifice their jobs; and

Whereas the Government of the United States is being deprived of vast customs revenue under existing conditions; and

Whereas equalization measures must be adopted to preserve American jobs for American workmen: Now therefore be it

Resolved, That the Senate and House of Representatives of the State of Washington respectfully urge the present Congress now in session, and the President of the United States, to promptly enact into law H. R. 13999: And be it further

Resolved, That this memorial be immediately transmitted to the proper offices and committees of the United States Senate and House of Representatives, and a copy sent to each of the Representatives and Senators representing the State of Washington in the United States Congress; and be it further

Resolved, That this memorial be immediately forwarded to the legislatures of all the States of the United States requesting that they pass and present similar memorials to Congress:

And your memorialists will ever pray.

Passed the house January 18, 1933.

GEO. F. YANTIS,
Speaker of the House.

Passed the senate January 19, 1933.

VICTOR A. MEYERS,
President of the Senate.

The VICE PRESIDENT also laid before the Senate the following concurrent memorial of the Legislature of the State of Utah, which was referred to the Committee on Post Offices and Post Roads:

THE STATE OF UTAH,
OFFICE OF THE SECRETARY OF STATE,
Salt Lake City, January 21, 1933.

HON. CHARLES CURTIS,
Vice President of the United States,
Senate Chamber, Washington, D. C.

MY DEAR MR. CURTIS: I have the honor to transmit to you herewith copy of Senate Concurrent Memorial No. 1, memorializing

the Congress of the United States to pass—and the President to approve—a bill authorizing an appropriation of \$125,000,000 for highway construction.

Very respectfully yours,

M. H. WELLING, *Secretary of State.*

STATE OF UTAH,
OFFICE OF SECRETARY OF STATE.

I, M. H. Welling, secretary of state of the State of Utah, do hereby certify that the following is a full, true, and correct copy of Senate Concurrent Memorial No. 1, by Mr. Booth, entitled "Memorializing Congress to appropriate to Federal aid for highways," as passed by the Legislature of the State of Utah on January 18, 1933, and approved by Governor Henry H. Blood on January 19, 1933, as appears on file in my office.

In witness whereof I have hereunto set my hand and affixed the great seal of the State of Utah at Salt Lake City this 20th day of January, 1933.

[SEAL.]

M. H. WELLING,
Secretary of State.

Memorializing the Congress of the United States to pass, and the President to approve, Senator Oddie's (of Nevada) bill authorizing appropriation of \$125,000,000 for highways.

Be it resolved by the Legislature of the State of Utah (the governor concurring therein), That—

Whereas the Oddie bill authorizing the appropriation of \$125,000,000 for Federal aid for highways, which has recently passed the Senate, will aid materially toward the completion of the at present incomplete Federal highway system in this and other States, and will make possible creating work for large numbers of our citizens now unemployed, we therefore respectfully urge the House of Representatives to pass, and the President to approve said bill that the provisions thereof may become effective at an early date; be it further

Resolved, That the secretary of state forward certified copies of this memorial to the President of the United States and Speaker of the House of Representatives, and to Utah's delegation in Congress.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Men's Bible Class of the Presbyterian Church of White Plains, N. Y., favoring the passage of the bill (H. R. 12044) for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Merchant Tailors Society of the City of New York, N. Y., favoring the balancing of the Budget, reductions in governmental expenditures, elimination of hospitalization or medical attention to war veterans with non service-connected disabilities, the taxation of the incomes of Government officials, a fair and equitable foreign-debt settlement, and the repeal of the prohibition laws, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by Sangamon Post, No. 32, the American Legion, Department of Illinois, of Springfield, Ill., favoring the maintenance of national defenses upon the same standard at least as now existing, and urging a continuation of citizens' military training camps, which was referred to the Committee on Appropriations.

Mr. BLAINE presented a paper in the nature of a petition of the Milwaukee City (Wis.) Council of Parent-Teacher Associations, praying for the passage of the so-called George bill, being Senate bill 5263, to amend the powers of the Reconstruction Finance Corporation so as to enable States, counties, municipalities, and school boards to borrow funds for the maintenance of the public schools, which was referred to the Committee on Banking and Currency.

Mr. DAVIS presented a resolution adopted by the Lackawanna Railroad Veterans Association, in meeting assembled at Scranton, Pa., representing members in the States of New Jersey, New York, and Pennsylvania, opposing the ratification of the Great Lakes-St. Lawrence deep-waterway treaty, which was referred to the Committee on Foreign Relations.

Mr. HULL presented a memorial, numerous signed, of sundry citizens of the State of Tennessee, remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, and favoring the making of necessary appropriations for the enforcement of the eighteenth amendment, which was ordered to lie on the table.

Mr. CAPPER presented petitions of sundry citizens of Kansas City and Wellington, all in the State of Kansas, remonstrating against the repeal of the eighteenth amendment to the Constitution, or the repeal or modification of

the national prohibition law, which were ordered to lie on the table.

He also presented resolutions adopted by the Woman's Home Missionary Society of Manhattan; the Young Woman's Christian Association of Kansas City; and local chapters of the Woman's Christian Temperance Union of Bird City, Burns, Climax, Caldwell, Hugoton, Manhattan, Morland, Natoma, Uniontown, and Woodston, all in the State of Kansas, favoring the passage of legislation to regulate and supervise the motion-picture industry, which were ordered to lie on the table.

Mr. GRAMMER presented the petition of the North End Woman's Christian Temperance Union of Tacoma, Wash., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented the petition of the North End Woman's Christian Temperance Union of Tacoma, Wash., praying for the passage of legislation to regulate and supervise the motion-picture industry, which was ordered to lie on the table.

He also presented a resolution adopted at a community meeting of citizens of Kennewick, Wash., protesting against the repeal of the eighteenth amendment of the Constitution, or the modification of the national prohibition law, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by Down Town Post, No. 64, American Legion, of Buffalo, N. Y., remonstrating against the elimination or reduction of appropriations for the citizens' military training camps, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the National Guard Association of the State of New York, at Troy, N. Y., remonstrating against proposed reductions in appropriations for the National Guard, which was referred to the Committee on Appropriations.

He also presented a memorial of citizens of Fulton, N. Y., remonstrating against any reduction in the personnel of the Marine Corps, which was referred to the Committee on Appropriations.

He also presented a petition of citizens of Utica, N. Y., praying for the enactment of legislation effecting economies in governmental expenditures except for the national defense, and also the imposition of a sales tax, and remonstrating against the enactment of legislation proposing currency inflation; which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Dairymen's League Cooperative Association, of Le Roy, N. Y., favoring the revaluation of the dollar to a level more in keeping with that at which most debts were contracted, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the board of trustees of the village of Scotia, N. Y., favoring the enactment of legislation providing for the issuance of national currency to municipalities on the pledge of their bonds, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by Harry B. Bentley Post, No. 443, American Legion, of Elmira, N. Y., favoring the use of American materials, labor, and contractors on the Boulder Dam project, which was referred to the Committee on Irrigation and Reclamation.

He also presented a resolution adopted by the New York Government Workers' Council and members and friends of the National Woman's Party, of New York City, N. Y., favoring the adoption of a measure providing equal rights to men and women, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Council of the city of Rochester, N. Y., favoring the removal of restrictions applying to municipalities in the construction of Federal highways, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Brotherhood of Locomotive Firemen and Enginemen, Lodge No. 316, of Omega, N. Y., favoring the passage of Senate bill 5125, to

provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, which was ordered to lie on the table.

He also presented memorials of sundry citizens and organizations of the State of New York, remonstrating against the repeal of the eighteenth amendment to the Constitution or the modification of the national prohibition law, which were ordered to lie on the table.

THE APPLE INDUSTRY AND TRADE BARRIERS

Mr. COPELAND. Mr. President, the apple growers of this country are in great distress. This morning I received a telegram from Mr. R. G. Phillips, secretary of the International Apple Association. I understand a number of other Senators, including the Senator from Idaho [Mr. BORAH], have received similar communications; and to save the time of the Senate, I ask that this telegram may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

ROCHESTER, N. Y., January 28, 1933.

Hon. ROYAL S. COPELAND,
Senate Office Building, Washington, D. C.:

Apple industry United States vitally dependent on maintaining foreign outlets, otherwise means laying ax to thousands of trees. Our exports have ranged up to over 4,000,000 barrels and nearly 11,000,000 boxes, constituting 19 to 21 per cent of our strictly commercial crop. Apple exports rank third among unmanufactured agricultural commodities, being exceeded only by wheat and raw cotton, and sixteenth among all exports. We were never confronted with so great trade barriers as to-day, which are paralyzing apple industry this country. This continuation international economic warfare is suicide, hence we emphatically object to House bill 13999 and all similar measures which in effect raise our tariffs against our best customers. We can not constantly slap rest of world in face and survive. We must be willing to receive in order to sell. It is fervently to be hoped that the absolutely vital question of war debts, world monetary situation, and trade barriers will be settled by friendly agreement rather than add to present disaster by raising tariffs and creating further economic warfare. It is time to call a halt on economic follies, otherwise United States producers, geared to world markets for a century, will suffer staggering capital losses. This association is composed leading apple shippers, cooperative associations, outstanding growers, wholesalers, and distributors from coast to coast, and located in all important United States producing and distributing sections.

INTERNATIONAL APPLE ASSOCIATION,
R. G. PHILLIPS, Secretary.

PROHIBITION AND LAW ENFORCEMENT

Mr. SHEPPARD. Mr. President, I present a number of telegrams and other communications in the nature of memorials remonstrating against the repeal of the eighteenth amendment and the Volstead law. I also submit a type-written summary of these documents, which I ask the privilege of having printed in the RECORD, and that the summary and accompanying memorials lie on the table, the joint resolution reported from the Committee on the Judiciary being on the calendar.

The VICE PRESIDENT. Without objection, the order will be entered.

The summary, telegrams, and communications in the nature of memorials were ordered to lie on the table, and the summary was ordered to be printed in the RECORD, as follows:

1. From O. C. Crow, secretary mass meeting held Sunday, December 18, 1932, at San Benito, Tex., representing 7,000 members, Methodist, Baptist, Presbyterian, and Christian Churches of Cameron County, Tex.
2. From W. W. Lee, C. P. Owen, and C. W. Harrison, committee representing union meeting pastors of Protestant churches from four counties comprising lower Rio Grande Valley, held December 19, 1932.
3. From H. E. Draper, presiding elder Brownsville District, Methodist Episcopal Church, South, in behalf of Methodist ministers, Brownsville (Tex.) District, in session December 20, 1932, representing all Methodist churches and their constituency in the Rio Grande Valley.
4. From Rev. J. W. Hassell, president, and Mr. S. L. Cole, secretary, the United Forces for Prohibition, Guadalupe County, Tex., representing mass meeting at Seguin, Tex., December 18, 1932, of citizens of Seguin and Guadalupe County.
5. From Mrs. O. A. Mills, chairman, and Mrs. N. C. King, secretary, presenting resolutions adopted by the fourth quarterly zone

meeting of the Uvalde Zone, Uvalde District, Woman's Missionary Society, Methodist Episcopal Church, South, at Uvalde, Tex.

6. From Rev. Marcus M. Chunn, pastor Herring Avenue Methodist Church, Waco, Tex., representing Methodist Orphan Home at Waco.

7. From W. H. Carder, W. J. Earles, and J. A. Dekle, representing Medina River Baptist Association, consisting of Kerr, Kemble, Bandera, and Gillespie Counties, Tex.

8. From Rev. Frank Eddy, Madden, pastor First Methodist Episcopal Church; Rev. Phil E. Chappell, pastor Asbury Methodist Episcopal Church; Rev. I. L. Yearly, pastor First Baptist Church; Rev. H. A. Bassett, pastor Orchard Park Methodist Episcopal Church; Rev. Westor R. Smith, pastor First Presbyterian Church; Rev. Arthur C. Hyde, pastor First Christian Church; Rev. R. L. Evans, pastor Trinity Methodist Church; Rev. Marshall Dawson, pastor First Congregational Church; Rev. Albert H. Schuake, pastor St. Paul's Lutheran Church; Rev. J. H. Walker, pastor Fort Boulevard Methodist Church; Rev. J. Fred Cole, pastor Grandview Baptist Church; Rev. A. G. Becker, pastor Altura Presbyterian Church, U. S. A.; Mr. J. N. Hooey; Mr. W. B. Gray; and Mr. Alfred Heininger; all of El Paso, Tex.

9. From Mrs. George W. Jones, legislative chairman Protestant Women's Association of San Antonio, Tex., representing regular meeting of that association on November 18, 1932.

10. From Rev. W. W. Jewell, pastor First Christian Church; Rev. Ed. Reeve, chairman of committee, First Baptist Church; and Rev. W. A. Hitchcock, pastor First Methodist Church, all of Stratford, Tex., representing their respective churches in that city.

11. From J. L. Taylor and Mrs. Naomi Huguelet, representing the Anti-Alcoholic League of Forreton, Tex.

12. From Miss Lois Pinson, Miss Virginia R. Williamson, and Mr. Lon Oakley, representing Methodist young people of the Greenville district, north Texas conference, in session at Mesquite, Tex., November 20, 1932.

13. From Rev. Warren T. Whiteside, chairman, and Arthur L. Losby, secretary, representing ministers and district stewards of Southern Methodist Churches of Greenville district, north Texas conference.

14. From Rev. W. E. B. Lockridge, chairman of mass meeting of church people and citizens of Terrell, Tex., held December 4, 1932.

15. From R. T. Ellis, secretary Texas State Teachers Association, assembled in convention at Fort Worth, Tex., November 26, 1932.

RESOLUTIONS OF TEXAS SHEEP & GOAT RAISERS ASSOCIATION

Mr. SHEPPARD. Mr. President, I present for publication in the RECORD and for appropriate reference resolutions adopted by the Sheep & Goat Raisers Association of Texas at their recent annual meeting at Del Rio, Tex., December 16, 1932.

There being no objection, the resolutions were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Resolutions adopted by Sheep and Goat Raisers' Association of Texas at recent annual meeting at Del Rio, Tex., December 16, 1932

FEDERAL LAND BANKS

Whereas the joint-stock land banks of the country have been unable to make any new loans for over two years past for reasons more or less generally known; and

Whereas this condition has resulted in making the Federal land banks the only source of credit for new land loans; and

Whereas the stipulation in the law limiting the maximum amount of any loan permitted by the Federal land banks to any one individual to \$25,000 works a distinct hardship on landowners needing assistance; and

Whereas the law also provides that the combined aggregate amount of money loaned to any individual by the Federal land banks and the joint-stock land banks shall not exceed \$50,000, which results in the fact that no borrower owing \$50,000 to the joint-stock land bank can borrow anything at all from the Federal land banks regardless of security offered: Therefore be it

Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention at Del Rio, Tex., on December 16, 1932, That we petition Congress to amend the law to enable the Federal land banks to make loans regardless of the amount of the borrower's debt to the joint-stock land bank, and that the maximum limit of loans permitted to be made by the Federal land banks to any individual be increased to \$100,000, providing the security offered is acceptable.

IMPORTING LIVESTOCK UNDER BOND

Whereas it has been brought to our attention that large numbers of livestock are being brought into the United States from Mexico under bond and without paying any import duty thereon, representation being made that such livestock will be reexported; and

Whereas it is our belief that the intention of the Importers of said stock is by some manner to be released from the payment of import duties on said stock, or that some future modification of the tariff law will become retroactive, thereby releasing said stock duty free: Therefore be it

Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention at Del Rio, Tex., on December 16, 1932, That we most emphatically condemn such practice; that we urge the collector of customs to be most cautious in seeing that

proper duties are assessed against all such livestock and collected before any bonds are released; and be it further

Resolved, That we petition the Congress to amend the tariff act to prevent in the future any livestock from being admitted to this country under bond, but that payment of all duties be made when livestock is crossed over the border.

GOVERNMENT AID LIMITED TO DOMESTIC LIVESTOCK

Be it resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention at Del Rio, Tex., on December 16, 1932, That, whether or not it has been done in the past, or whether or not it is being contemplated at present, we heartily disapprove of money being loaned by any governmental institution, or any institution receiving direct aid from the Government, to any person, firm, or corporation on imported livestock or for the purpose of buying livestock imported into this country either before or after said stock might be imported, it being our view that all financial aid extended by the Government would be confined to the purchase and/or carrying of domestic livestock; and be it further

Resolved, That laws be passed or amended by Congress, or regulations be issued by the heads of all such governmental institutions embodying the idea herein expressed.

REDUCTION OF CHARGES

Whereas livestock prices have been extraordinarily reduced in the last three years, and all ranchmen are making supreme efforts to reduce expenses to an absolute minimum: Therefore be it

Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention at Del Rio, Tex., on December 16, 1932, That we respectfully and urgently request the various stockyards companies and commission firms at the central markets to reduce their charges for handling and selling our livestock in proportion to which our income has been reduced; and be it further

Resolved, That we petition the railroad companies to reestablish the privilege, recently withdrawn, of allowing buyers of livestock at central markets to reship livestock bought at the through rate from point of origin to point of destination, this privilege being commonly known as the change-of-ownership rule; and be it further

Resolved, That the railroads reduce their charge for bedding cars to a cost commensurate with the services rendered and that they make no charge whatsoever for cars that are not freshly rebedded.

STATE RANGERS

Whereas the livestock men of west Texas have for years carried on a battle against stock thieves, which activity, we believe, belongs to the police authorities of the State; and

Whereas this association includes among its members sheep and goat raisers from over 100 counties of the State: Therefore be it

Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention at Del Rio, Tex., on December 16, 1932, That we petition the Governor of the State of Texas to grant commissions of sergeants in the State rangers force to two men to be selected by the president of this association, said rangers to be paid by the State but to be subject only to orders of the president of this association, their entire duties being to work for the prevention of and the detection of the theft of sheep and goats.

DUES

Whereas the activities of the Texas Sheep and Goat Raisers' Association have in the 17 years of its existence proven the worth of this association in preventing losses and making savings for its members in ways already well known; and

Whereas the association is dependent entirely for its income upon dues voluntarily paid by its members; and

Whereas this source of income has been reduced to the point where the association's activities are nearly paralyzed because of the inability of most of its members to continue paying said dues: Therefore be it

Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention at Del Rio, Tex., on December 16, 1932, That we respectfully urge the Federal intermediate-credit bank, the regional agricultural-credit corporation, commercial and private banks and loan companies to recognize dues to this association as a legitimate item of expense, and that borrowers from these institutions be permitted to include said dues in their allowances or budgets which are being allowed said borrowers for their running expenses.

BURNS AND POISON WEEDS

Be it resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That we hereby petition our State legislature to pass the necessary laws compelling the highway commission, counties, railroad companies, pipe-line companies, and all other persons or concerns owning fenced right of way, to keep it free and clear of all cockle burrs, grass burrs, sand burrs, bitterweed, beggar lice, hoarhound, loco, and all other poisonous or obnoxious vegetation that might be harmful to ranch and/or farm land.

BLOWFLIES

Be it resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That we petition our State legislature to pass laws providing for the cleaning up of this State of the worst known pest to the livestock men, viz, the blowfly; and be it further

Resolved, That the president of this association appoint a special committee which shall have for its sole purpose the framing and furthering the above-mentioned legislation.

AD VALOREM TAX

Whereas land has always been the prime source of governmental revenue from taxation; and

Whereas this policy has materially contributed to the burden which is now bearing down the landowner unto annihilation: therefore be it

Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That we recommend that a sales tax be levied in place of the State ad valorem tax on property, but that neither sales nor income tax be levied unless the State ad valorem on land be removed; that only county and lesser governments place a tax on land and that these governments see to it that all personal property, especially investments such as notes, stocks, bonds, etc., bear its just share of taxation; and be it further

Resolved, That no State or other boards, commission or body of any kind be established which will displace or usurp the tax valuing, assessing or levying powers of the county commissioners.

STATE GASOLINE TAX LAW

Whereas it has come to our attention that there is a movement on foot to repeal that portion of the State gasoline tax law which exempts from said tax all gasoline not used for propelling vehicles over the highways: Therefore be it

Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That we strenuously oppose the repeal of that section of the law.

ADDRESS OF ROGER GILLIS

Be it Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That Judge Roger Gillis, of Del Rio, Tex., is hereby requested to reduce to writing the very excellent address which he made at the opening session of our convention and that such writing be either an abstract or an extension of his remarks, as he so desires.

AGRICULTURAL MARKETING ACT

Whereas as a result of the passage of the agricultural marketing act of 1929, numerous marketing and financing agencies have been set up which have been and are at the present time rendering a distinct service to the livestock interests of the country; and

Whereas the repeal of this act would most likely result in the immediate liquidation of these various agencies; and

Whereas such liquidation would work undue hardships, not only upon the direct borrowers from these agencies, but would be reflected to the entire livestock industry: Therefore, be it

Resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That we distinctly oppose the repeal of this act, but on the contrary we commend the act and believe it to be the most constructive piece of agricultural legislation ever enacted by Congress. We recommend its continuance in its present form, except in such instances, such as the stabilization clause, where experience has demonstrated its failure to obtain appropriate results beneficial to agriculture. We maintain that any and all amendments to this act should be made by its friends rather than by its enemies.

APPRECIATION

Be it resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That our sincere appreciation and thanks go forth to the people of Del Rio, the Del Rio Chamber of Commerce, the Roswell Hotel, and to all contributing organizations and persons for their efforts in making our seventeenth annual convention a most enjoyable and successful one, and

Be it further resolved, That our sincere thanks are also extended to our president, T. A. Kincaid, and to our secretary, E. B. Baggett, for their work, not only during the convention, but throughout the past 18 months.

ILLNESS OF SAM H. HILL

Be it resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That we are extremely grieved over the illness of our worthy member and friend, Sam H. Hill, and that we hereby extend to him our most earnest wishes for his speedy recovery, Mr. Hill being our only life member.

JUDGE JAMES CORNELL

Be it resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That we extend our heartfelt thanks and appreciation to our worthy and esteemed member and friend, Judge James Cornell, for his untiring efforts and faithfulness in behalf of this association and livestock men generally.

PRICKLY PEAR

Be it resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention, at Del Rio, Tex., on December 16, 1932, That we commend the activities of the committee appointed to act on the control of prickly pear, and that we urge that they redouble their efforts along this line, and if necessary, to secure the assistance of the agricultural and mechanical college.

RESOLUTIONS PASSED BY NATIONAL WOOL GROWERS ASSOCIATION

Be it resolved by the Sheep and Goat Raisers' Association of Texas, assembled in annual convention at Del Rio, Tex., on December 16, 1932, That we approve and adopt as our own the following resolutions adopted by the National Wool Growers Association at their sixty-eighth annual convention, held in Portland, Oreg., December 10, 1932:

The tariff

Consideration of the question of import duties upon foreign products must always recognize and be based upon the fostering and encouragement of promotion of all lines of agricultural production. This is essential not only in the interest of our rural population, but because of the great dependence of factory industry, transportation, and all lines of commerce upon the purchasing ability of those engaged in agriculture and livestock production.

We consider that the effectiveness of present import duties upon foreign agricultural products imported into the United States has largely contributed to the maintenance of a somewhat better economic business condition in the United States than has prevailed in many other countries.

The leaders of the incoming administration have assured the American farmer and livestock producer of their belief in the necessity of continuing import duties upon agricultural products. We urge upon President-elect Roosevelt, his official family, and the Seventy-third Congress that import duties on agricultural products be maintained upon a level no lower than that of the rates now prevailing.

We urge that these rates be maintained upon all livestock and meat products and upon wools (and mohair) imported in the raw or manufactured condition. It is also our belief that the raw wool (and mohair) duty should continue to be levied as a specific duty upon the clean content basis.

In consideration of tariffs as a source of revenue we suggest that duties might be levied upon wools (and mohair) imported for use in the making of carpets and floor coverings. We also suggest that examination be made of the probability of our domestic wools (and mohair) being used in carpet making and the inclusion of carpet wools (and mohair) under similar rates of duty as provided for clothing wools (and mohair).

Finance

Reconstruction Finance Corporation: We most heartily commend the Seventy-second Congress for having established the Reconstruction Finance Corporation. The acceptance and carrying by this corporation of a large amount of livestock and agricultural loans has been of untold value to those industries and to the whole country.

The further financial service of carrying such loans through regional agricultural-credit corporations and the Reconstruction Finance Corporation has given most timely support in some districts that could not have been furnished by any other agencies.

In other districts the policy of making it very difficult to obtain loans has not been in accord with what we believe to be the intent of the law by which these corporations were created.

We ask for a definition in the law as to what shall be accepted as "full and adequate security" and for a more liberal and reasonable attitude on this point on the part of the credit corporations and the Reconstruction Finance Corporation.

Intermediate-credit banks: Less than \$100,000,000 of livestock loan paper was being held on December 31, 1931, by the nine Federal intermediate-credit banks in operation in the Western and Southwestern States. The fact that this comparatively small proportion of the total of this class of paper was so securely held protected livestock credits until the resources of the Reconstruction Finance Corporation were made available.

It is painfully apparent, as it also was in 1920, that the livestock industry can not safely rely upon ordinary commercial banks of deposit handling only 90-day paper for the financial service essential to protection. Future safety depends upon the handling of the main part of our livestock paper by agencies not subject to withdrawal of deposits and the necessary calling of loans. To provide this financial security a large increase is necessary in the capital structure of livestock-loan companies and agricultural-credit corporations that discount with intermediate-credit banks. This requirement is temporarily provided under the Steiwer-Carey amendment to the emergency relief and construction act of 1932, approved July 21, 1932.

We favor the enactment of such legislation as may be required for the continuation of this large-scale service which, in the public interest, is essential to efficient agricultural and livestock production under normal conditions.

Interest rates

Considering the present level of commodity prices and their relation to cost of sheep production, we find that the highest fixed charges to-day, other than taxation, are interest rates. Taxes of the Federal, State, and county governments are being reduced 25 to 50 per cent. We emphatically urge reduction in interest charges on the same basis.

Taxation

In the spirit of fairness, we realize that in order to contribute to the general movement toward tax reduction not only agriculture but all lines of business, and all persons generally must be willing to accept their proportionate share in cuts of Federal and State appropriations affecting them. We subscribe to this theory and are willing to accept our pro rata share of such cuts, but demand consideration for agriculture to the extent that Federal and State appropriations for agricultural purposes be not reduced in greater proportion than appropriations for all other purposes—that agriculture be not forced to stand all or the greater part of reduced appropriations.

Legislation

We instruct our officers to carefully investigate all new ideas proposed for legislation affecting agriculture, such as the so-called domestic-allotment plan and others, and take such steps as they deem necessary to fully protect the interests of the sheep and goat industry.

Commission merchants

We instruct our national officers to seek the enactment of a Federal law requiring wool (and mohair) merchants doing a commission business to be licensed and bonded under rules and regulations prescribed by the Department of Agriculture.

WATER RESOURCES OF THE SAN PEDRO RIVER

Mr. ASHURST presented a resolution adopted by the Douglas (Ariz.) Chamber of Commerce and Mines, which was referred to the Committee on Irrigation and Reclamation and ordered to be printed in the RECORD, as follows:

Whereas Senator HENRY F. ASHURST has introduced Senate Resolution 292 on December 7, 1932, providing for a subcommittee of the Senate Committee on Irrigation and Reclamation to come to Arizona and investigate the practicability of utilizing the water resources of the San Pedro River; and

Whereas we believe the said committee will find that the United States is justified in building a flood-control dam in said river near the Charleston station to the end that the agricultural resources of said river valley may be conserved and increased, and for the purpose of providing relief work for the citizens of this county not now employed; and

Whereas this organization, representing the business interests of Douglas and vicinity, welcomes any aid given the people of said valley, though outside of the immediate district: Now, therefore, be it

Resolved, That we commend the action of Senator ASHURST, thank him for his solicitude, and urge him and our congressional delegation to secure the adoption of said resolution; that a copy hereof be transmitted to each of the Arizona delegation.

DOUGLAS CHAMBER OF COMMERCE AND MINES,
H. A. WIMBERLEY, President,
E. W. BROWDER, Secretary.

[SEAL.]

Adopted January 18, 1933.

PROHIBITION AND THE EIGHTEENTH AMENDMENT

Mr. WALSH of Massachusetts. Mr. President, I present and ask to be printed in the CONGRESSIONAL RECORD memorials from the American Temperance Society of Seventh-day Adventists of Worcester, Mass.; the Southern New England Conference of South Lancaster, Mass.; and from the Plymouth County Neighborhood Convention of Churches in federated meeting with the Woman's Christian Temperance Union of Middleboro, Mass., in opposition to the modification of the Volstead Act or the repeal of the eighteenth amendment to the Constitution.

There being no objection, the memorials and papers were ordered to lie on the table and to be printed in the RECORD, as follows:

AMERICAN TEMPERANCE SOCIETY

OF SEVENTH-DAY ADVENTISTS,

Takoma Park, Washington, D. C., January 26, 1933.

The Hon. DAVID I. WALSH,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I am inclosing in this a petition to Congress which was passed in a meeting at Worcester, Mass., on January 17, and also the signatures of a number of citizens of Massachusetts, protesting against the repeal of the eighteenth amendment. We

are requested to send these to you. Will you please note them in the CONGRESSIONAL RECORD and refer them to the proper committee for consideration.

Sincerely yours,

C. S. LONGACRE.

PETITION TO CONGRESS

To the honorable the Senate of the United States:

We, the citizens of Worcester, Mass., in a mass meeting held January 17, 1933, do hereby petition your honorable body—

1. To enact no legislation changing the per cent of alcohol contained in legalized beverages as specified in the Volstead Act.
2. Not to enact the present beer bill, H. R. 13742.
3. Not to pass any act favoring the repeal of the eighteenth amendment.

The reasons we offer for said petition are:

- a. Alcohol is a narcotic. It poisons the system, disqualifying the user for business; it paralyzes industries by unfitting the users thereof for the regular performance of work.
- b. It impoverishes the families of the ordinary workmen, leaving in its wake sorrow, poverty, shame, and often complete ruin.
- c. It endangers life. Twenty-six million automobiles and automobile trucks carrying millions of our people at high rates of speed make it imperative that only people should drive who do not use alcohol in any degree. What affects one driver seriously might not affect another, but the one affected is a menace to life and property.

Why should a great country like America stoop to raising revenue for the maintenance of its Government from the sale of alcoholic beverages which have in their use all the elements of waste, crime, and death?

In the name of humanity, social justice, and the general welfare, we beseech your honorable body not to give your support to this measure that would legalize the sale of intoxicating beverages.

S. LUNDSTROM, Chairman.

HELFRID J. JORGENSEN, Secretary.

PETITION OPPOSING BEER BILL

To the honorable the Senate of the United States, Greetings:

Believing (1) that the eighteenth amendment is the best solution to the liquor question yet advocated.

(2) That beer, as authorized in bill H. R. 13742, with 4 per cent alcoholic content according to volume, is intoxicating and therefore unconstitutional.

(3) That the free use of this beer would greatly endanger the public safety and general welfare in this speed age of travel.

(4) That it is to the best interest of the public to keep this Nation saloonless and sober, which will be impossible if this bill is enacted.

Therefore, we, the undersigned adult residents of Worcester, etc., State of Massachusetts, earnestly petition your honorable body not to pass H. R. 13742, or any other measure that would override the eighteenth amendment of the Federal Constitution, but, instead, employ means to make national prohibition more effective.

Helfrid Jorgensen, Trinity Avenue, Worcester, Mass.; Seth Forsberg, 19 Arnold Road, Worcester, Mass.; A. K. Johnson, 19 North Street, Worcester, Mass.; B. G. Lundquist, 1 Breck Street, Worcester, Mass.; E. Norilborg, 30 Walnut Street, Auburn, Mass.; G. H. Anderson, 53 Trinity Avenue, Worcester, Mass.; Mrs. H. Anderson, 53 Trinity Avenue, Worcester, Mass.; S. Jorgensen, 53 Trinity Avenue, Worcester, Mass.; Mrs. H. Jorgensen, Trinity Avenue, Worcester, Mass.; Conrad J. Hagstrom, 15 Colby Avenue, Worcester, Mass.; Mrs. Lora Westerman, 237 Turnpike Road, Shrewsbury, Mass.; C. W. Westerman, 237 Turnpike Road, Shrewsbury, Mass.; Elder J. P. Johnson, 36 Bailey Road, Shrewsbury, Mass.; Mrs. J. P. Johnson, 36 Bailey Road, Shrewsbury, Mass.; Mrs. C. A. Johnson, 9 Tatman Street, Worcester, Mass.; Carl A. Johnson, 9 Tatman Street, Worcester, Mass.; Lennart Johnson, 9 Tatman Street, Worcester, Mass.; Karl Johansen, 63 Belmont Street, Worcester, Mass.; Alma Carlson, 1 Lund Street, Worcester, Mass.; Mrs. H. Wallman, 1 Lund Street, Worcester, Mass.; Miss Anna K. Johnson, 19 North Street, Worcester, Mass.; Mrs. Axel Glandt, 14 Kosta Street, Worcester, Mass.; Axel Glandt, 14 Kosta Street, Worcester, Mass.; August Andeberg, 233 Wachcuret Street, Holden, Mass.; Mrs. Nellie Andeberg, 233 Wachcuret Street, Holden, Mass.; Mrs. Hanna Carlson, 487 Burncoat Street, Worcester, Mass.; Mrs. Ellen Johansen, 63 Belmont Street, Worcester, Mass.

SOUTHERN NEW ENGLAND CONFERENCE,
South Lancaster, Mass., January 24, 1933.

HON. DAVID I. WALSH,

United States Senate, Washington, D. C.

DEAR SENATOR WALSH: May I register my protest against the present attempt in Congress to again legalize alcoholic drinks?

There may be a question as to which is the wisest road back to prosperity, but the liquor route surely is not one of them, for it always leads downward, never upward.

Our infallible guidebook reminds us: "Wine is a mocker, strong drink is raging, and whosoever is deceived thereby is not wise."

Also, "Woe unto him that giveth his neighbor drink and maketh him drunken." And again: "Woe unto him that buildeth his house by unrighteousness."

The Scripture pictures the work of those who manufacture and who sell intoxicating liquor. Their business means robbery. For the money they receive no equivalent is returned. Every dollar they add to their gains has brought a curse to the spender.

For the sake of gain the liquor seller deals out to his victims that which corrupts and destroys mind and body. He entails on the drunkard's family poverty and wretchedness. Keep it outlawed.

The inclosed leaflets furnish many additional reasons.

Respectfully yours,

F. BOHNER,

Home Missionary Secretary.

MIDDLEBORO, MASS., January 11, 1933.

The Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

DEAR SENATOR: Whereas there is pending in Congress an act to legalize the sale of beer; and

Whereas this Commonwealth in the year 1870 did legalize such sales and subsequently repealed the same because of an increase of drunkenness: Therefore be it

Resolved, That we, the members of the Plymouth County Neighborhood Convention of Churches and the local Woman's Christian Temperance Union in a federated meeting do most urgently call upon our Senators at Washington to vote against the proposed measure and would call attention to the words of the Hon. Robert C. Pittman, for so many years a judge in our superior court, when he said, we quote: "It is clear that the governor was amply justified in declaring in his message that the so-called beer shop has come to mean a place where all kinds of intoxicating liquors are sold."

Very respectfully submitted.

KENELM WINSLOW.

JOSEPHINE L. KELLEY,

Secretary Woman's Christian Temperance Union,
Middleboro, Mass.

DAVID B. HOWARD,

Secretary Plymouth County
Neighborhood Convention.

PETITION OPPOSING BEER BILL

To the honorable the Senate of the United States, Greetings:

Believing (1) that the eighteenth amendment is the best solution to the liquor question yet advocated; (2) that beer as authorized in bill H. R. 13742, with 4 per cent alcoholic content according to volume, is intoxicating and therefore unconstitutional; (3) that the free use of this beer would greatly endanger the public safety and general welfare in this speed age of travel; and (4) that it is to the best interest of the public to keep this Nation saloonless and sober, which will be impossible if this bill is enacted. Therefore we, the undersigned adult residents of the State of Massachusetts, earnestly petition your honorable body not to pass H. R. 13742 or any other measure that would override the eighteenth amendment of the Federal Constitution, but, instead, employ means to make national prohibition more effective.

Mrs. Edith M. Wilkinson, Main Street, South Lancaster; Carl Kennedy, Main Street, Clinton; E. Grace Soper, Prescott Street, South Lancaster; R. C. Silvers, Main Street, South Lancaster; L. W. French, South Street, Westminster; R. H. Libby, Prescott Street, South Lancaster; Letha B. Wendell, Kilbourn Street, South Lancaster; C. A. Cutting, Pratts Junction Road, South Lancaster; Dora Smith, Narrow Lane, South Lancaster.

ENROLLED JOINT RESOLUTIONS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on to-day, January 28, 1933, that committee presented to the President of the United States the following enrolled joint resolutions:

S. J. Res. 239. Joint resolution authorizing the granting of permits to the Committee on Inaugural Ceremonies on the occasion of the inauguration of the President elect in March, 1933, and for other purposes; and

S. J. Res. 240. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Montana:

A bill (S. 5544) authorizing the Secretary of Agriculture to adjust debts arising from loans made to farmers for seed, feed, and crop production, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. DILL:

A bill (S. 5545) granting a pension to Margaret Keefe (with accompanying papers); to the Committee on Pensions.

By Mr. GOLDSBOROUGH:

A bill (S. 5546) granting a pension to Milton Carroll Merryman; to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 5547) granting an increase of pension to Mary S. Miller; to the Committee on Pensions.

By Mr. BRATTON:

A bill (S. 5548) relating to livestock loans made by the Reconstruction Finance Corporation through its regional agricultural credit corporations; to the Committee on Banking and Currency.

By Mr. REED:

A bill (S. 5550) to provide for the removal of the monument to Casimir Pulaski from the triangle at Pennsylvania Avenue, Thirteenth Street, and E Street NW, to the east end of the triangle formed by Pennsylvania Avenue, E Street, and Fifteenth Street, in the city of Washington, D. C., and to authorize the appropriation therefor; to the Committee on Public Buildings and Grounds.

By Mr. HASTINGS:

A bill (S. 5551) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. DICKINSON:

A bill (S. 5552) to provide for the liquidation of joint-stock land banks, and for other purposes; to the Committee on Banking and Currency.

DATE OF MEETING OF SECOND SESSION OF THE CONGRESS

Mr. DILL. Mr. President, I desire to introduce a bill for reference to the Judiciary Committee, but before doing so I want to say a word about it.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. DILL. The bill is to fix the date of meeting of the second session of the Congress. With the adoption of the "lame-duck" amendment to the Constitution Congress will meet on January 3 of each year, unless Congress by law fixes another date. That will probably mean that we shall be in session every summer. It seems to me that we ought to provide by law that the second session shall begin some time in the fall. The bill which I introduce provides that the second session shall begin on the first Monday in October.

The bill (S. 5549) to fix the date of meeting for the second session of Congress was read twice by its title and referred to the Committee on the Judiciary.

CHANGES OF REFERENCE

On motion of Mr. THOMAS of Oklahoma, the Committee on Public Lands and Surveys was discharged from the further consideration of the bill (S. 5427) authorizing the Secretary of the Interior to purchase certain lands in Ottawa County, Okla., and it was referred to the Committee on Indian Affairs.

On motion of Mr. COPELAND, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 5535) for the relief of certain Army officers whose household and other effects were damaged on Government property, and it was referred to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 792. An act for the relief of William Joseph Vignault;

H. R. 1177. An act for the relief of Peter E. Anderson;

H. R. 1936. An act for the relief of Sydney Thayer, jr.;

H. R. 2907. An act for the relief of Walter Sam Young;

H. R. 5548. An act for the relief of George Brackett Car-gill, deceased;

H. R. 6409. An act for the relief of William Joseph La-Carte;

H. R. 7263. An act for the relief of Felix Maupin;

H. R. 7548. An act granting six months' pay to Ruth McCarn;

H. R. 9231. An act for the relief of George Occhionero;

H. R. 9326. An act for the relief of John E. Davidson; and

H. R. 9355. An act for the relief of David Schwartz; to the Committee on Naval Affairs.

H. R. 973. An act for the relief of John L. Dunn;

H. R. 2294. An act for the relief of C. A. Cates;

H. R. 2917. An act for the relief of Primo Tiburzio;

H. R. 3044. An act for the relief of Anthony Hogue;

H. R. 3045. An act for the relief of Gustav Welhoelter;

H. R. 6851. An act to reimburse Gottlieb Stock for losses of real and personal property by fire caused by the negligence of two prohibition agents;

H. R. 7198. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H. R. 8136. An act for the relief of John J. Moran;

H. R. 9336. An act for the relief of Emily Addison; and

H. R. 9457. An act for the relief of Sperry Gyroscope Co. (Inc.), of New York; to the Committee on Claims.

H. R. 3627. An act for the relief of James Wallace; to the Committee on Military Affairs.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. ODDIE submitted an amendment intended to be proposed by him to House bill 13710, the Interior Department appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 45, line 21, after the semicolon, to insert the following:

"For construction of power transmission line and distribution system, Fallon Subagency, Walker River Agency, Nev., fiscal year 1934, \$800."

AMENDMENT TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. HASTINGS (for Mr. HEBERT) submitted an amendment intended to be proposed by Mr. HEBERT to House bill 13520, the Treasury and Post Office Departments appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 79, line 18, after the figures "16," to insert "(a)."

On page 80, beginning with line 8, to strike out through line 8 on page 82, and in lieu thereof to insert the following:

"(b) Section 319 of Part II of the legislative appropriation act, fiscal year 1933, shall not apply to any refund or credit allowed by the Commissioner of Internal Revenue prior to July 1, 1932, on account of an overpayment in respect of any internal-revenue tax. Appropriations for the payment of any such refund or credit, as well as for the payment of interest upon any such refund or credit, shall be available for the payment of principal and interest computed in accordance with the laws with respect to interest in force at the time of the allowance of such refund or credit: *Provided, however,* That where such laws have been repealed by section 614 of the revenue act of 1928, interest shall be computed in accordance with the provisions of said section 614 of the revenue act of 1928.

"(c) Interest shall be allowed and paid upon any refund or credit allowed by the Commissioner of Internal Revenue subsequent to June 30, 1932, in respect of any overpayment of internal-revenue tax for any period prior to July 1, 1932, in accordance with the provisions of section 614 of the revenue act of 1928; and for any period after June 30, 1932, shall be allowed and paid in accordance with the provisions of section 319 of Part II of the legislative appropriation act, fiscal year 1933, approved June 30, 1932."

URGENT DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14436) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

Mr. BINGHAM. Mr. President, I hope we may proceed to the passage of the deficiency bill at the earliest possible moment. As I have previously stated, I withdraw my amendment in order that the bill may be passed promptly.

Mr. McKELLAR. Mr. President, it seems to me we ought to have a vote on it immediately.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment, the question is, Shall the bill be read a third time?

The bill was read the third time.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. The deficiency bill is before the Senate?

The VICE PRESIDENT. It is, by unanimous consent.

Mr. NORRIS. Was the Treasury and Post Office appropriation bill laid aside?

The VICE PRESIDENT. It was laid aside last evening by unanimous consent.

Mr. NORRIS. Is the deficiency bill subject to amendment?

The VICE PRESIDENT. The third reading of the bill has been ordered, the bill has been read a third time, and therefore an amendment is not now in order.

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KING. I presume by unanimous consent or motion to reconsider the third reading an amendment might be tendered?

The VICE PRESIDENT. Certainly; by unanimous consent or motion to reconsider that might be done. The question is, Shall the bill pass?

The bill was passed.

POEM ENTITLED "FARM WOMAN TO THE EARTH"

Mrs. CARAWAY. Mr. President, I ask leave to have published in the RECORD a poem written by Mrs. Anna Flournoy Bassett, of Pine Bluff, Ark., entitled "Farm Woman to the Earth."

There being no objection, the poem was ordered to be printed in the RECORD, and it is as follows:

FARM WOMAN TO THE EARTH

My bondage years to you will soon be past,
They'll fold my hardened hands upon my breast,
And I shall lie within your arms at last,
In that still state men call eternal rest.
You have been a strange lover, Earth, to me—
You have asked all in time and strength and art;
And in return you have but let me see
A fleeting glimpse of what is in your heart.

I have not had the things that women crave—
The touch of silks, perfumes, and jewels bright;
But in the years when I have been your slave
I have seen dewdrops in the morning light,
And I have felt your warm, sweet breath arise
And with your changing under changing skies,
Earth, I was wedded to you, mind and soul.

Now when death makes you take me to your heart,
And I become at last a part of you,
Let cool, green leaves and fragrant blossoms start,
From my poor clay, and let their brilliant hue
Draw butterflies to me who served you well;
And as they greet the blossoms with a kiss,
Let me be living in the buds that swell.

This is my prayer; O Earth, you owe me this.

—Anna Flournoy Bassett.

RADIO ADDRESS BY JOHN A. SIMPSON ON FARM PROBLEMS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered to-day over the National Broadcasting Co.'s network by John A. Simpson, president of the National Farmers' Union.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

GREETINGS

While conditions are no better, even worse than they were a month ago, there is a ray of hope that March 4 big business will have to move out of the National Capitol and turn the keys to the departments of government over to the common people of this country.

The position taken by the President elect on a number of questions justifies this statement.

Big business and its controlled press was railroading a general sales tax through Congress. The President elect, in no uncertain terms, publicly announced that he was against a general sales tax. That announcement killed the sales tax.

The fight has been on ever since the war as to what disposition should be made of Muscle Shoals. Big business, on one side, was demanding the Government to turn it over to it. Senator George

Norris, of Nebraska, leader of the opposition in all these years, has prevented that thing being done. The other day the President elect and Senator Norris visited Muscle Shoals, after which the President elect announced this project would be completed by the Government and that it would be his policy that all undeveloped natural power should be taken over by the Government.

These, and other indications of a better day, cause me to greet you at this hour with a smile in my voice, I hope.

TRIP WEST

The 12th of this month wife, daughter, and I motored to Oklahoma City to attend the annual State convention of the Farmers' Union, held in that place the 16th, 17th, and 18th.

For many months it has been the usual thing to see passenger trains speeding by with empty coaches and empty Pullmans. On this trip we met and passed a number of big transcontinental buses with not a passenger in them.

Likewise, we found a noticeable decrease in the number of cars on the road. In the whole 1,500 miles there was no traffic interference.

The only method of transportation on the increase is hitch hiking. We never before saw so many men, women, and children with their worldly possessions in a ragged suit case or in a bundle on a stick as we did on the trip this month.

On this 3,000-mile round trip visiting at the filling stations, the hotels, and with farmers at meetings we held, I was impressed with two things.

First. The revolutions over the country are increasing in numbers, in size, and in quality. There are many States now where the courts have revolted. In a meeting I addressed in the auditorium of the Central High School, Oklahoma City, two district judges voluntarily came to the stage and announced there would be no more foreclosures in their courts until the prices of farm crops were reasonable. Such revolutions on the part of the courts are occurring all over the country. I found legislatures in open revolution passing moratorium laws that violate the terms of contracts. I found the farmers organizing by counties for the purpose of preventing sales of mortgaged property. In some instances these farmers have prevented these sales by force. In most instances by persuasion. However, in both instances it is revolution.

Second. I found more, bigger, and better organizations using their own medium of exchange. All over the United States the people are being forced for lack of a medium of exchange to organize trading associations in which they use their own scrip. One of the largest of these organizations it has been my pleasure to visit is the Natural Development Association of Salt Lake City, Utah. They have more than 40,000 members, with a number of large stores in Salt Lake and other cities not only in Utah, but several other States. I found in one of these stores in Salt Lake that you could buy anything from pins to pianos. I found that with their scrip you could have operations from a shave to removal of your appendix. They have their own coal mines with a fleet of trucks that deliver. They have their own refineries that furnish them gas and lubricants. They have put to work many unemployed on a scale of wages much higher than the laborers who are paid in United States money. The farmers who deal with them are paid about double for their products what purchasers pay who pay in United States money. In a way, this is also revolution. No one has a right to issue a medium of exchange except Congress or by authority of Congress.

Oh, what an indictment this is of what our Government is doing. The people without work, hungry and cold because big bankers have had the power transferred to them of issuing money, and which they refuse to furnish.

When these organizations can put idle men to work, paying them bigger wages and increasing the price of farm products, it is conclusive evidence that what this Nation lacks is a volume of currency with which to do business.

The Cincinnati Enquirer says, "Congress is busy passing bills for Hoover to veto, and Hoover is sending over recommendations for Congress to throw into the wastebasket."

GRAFT DISCLOSURES

Since last month's talk over NBC there have been disclosures of graft here in Washington that stinks to high heaven. Congressman LOZIER, of Missouri, in a speech found in the CONGRESSIONAL RECORD of December 30, discloses grafting under the merchant marine act.

In all the history of the United States down to the present administration mail carried by ships has been paid for on a pound basis. The price has run on an average of 80 cents a pound. Under President Hoover's administration the steamship companies have secured contracts on a mileage basis. Under this plan some steamship companies, for carrying a pound of mail, have been paid \$10,000. Remember, these same steamship companies borrow large sums of money of the Government, sometimes at less than 1 per cent interest.

The following are a few instances of the way the Post Office Department has allowed the taxpayers of this Nation to be robbed:

The Grace Steamship Line operates over ocean mail route 38, between Tacoma and Valparaiso, Chile. In the fiscal year 1931 this company, under contract made by the Post Office Department, was paid \$238,500 for carrying 2,892 pounds of mail, which, under the weight system and standard rates would have cost the Government only \$458.88.

The Lykes Bros. Steamship Co. (Inc.) operates steamers over ocean mail route 23, from Galveston to Santo Domingo, Haiti. In the fiscal year of 1931, under contract made by the Post Office

Department, this company was paid \$317,916.50 for transporting 741 pounds of mail, which under the weight system and standard rates would have cost the Government only \$194.64.

Under a contract with the Post Office Department the American West African Line operates over ocean mail route 47, between New Orleans and the West Coast of Africa. It made five voyages in the fiscal year of 1931, carrying only 133 pounds of mail. On a weight basis this service would have cost the Government only \$42.32, but this subsidized shipping concern was paid \$87,862.50 for transporting an armful of mail that weighed less than 2½ bushels of wheat.

The United States Lines has a contract with the Post Office Department for carrying mails over ocean mail route 44, between New York and London, a distance of 3,369 miles. Under this contract, and without regard to the amount of mail carried, this company is paid \$20,214 for each voyage, or at the rate of \$6 per mile for each outbound trip. On June 12, 1931, one of its steamers, *American Merchant*, sailed from New York with only 2 pounds of letters. Under the weight basis that prevailed before the enactment of the merchant marine act the cost of carrying 2 pounds of mail would have been only \$1.60, but for transporting less than a handful of letters this subsidized shipping corporation was paid \$20,214, or twelve thousand six hundred and thirty-three times the standard rates. Also, remember the United States Lines last year borrowed over \$15,000,000 at less than 1 per cent interest.

One of the interesting features of this graft disclosure is the fact that Kermit Roosevelt is an officer in the Roosevelt Steamship Co., that participated beyond the dreams of avarice in this wholesale looting of the taxpayers of the Nation. It will be remembered that this is the family of ex-President Theodore Roosevelt, and members of which fought valiantly for the present administration in the last campaign. They were also overcareful to let it be known that the relation between their family and Franklin D. Roosevelt's was very distant.

THE FARMER COMPLAINS

The farmer complains because he does not get as fair treatment from his Government as other groups get. The steamship companies that we have been talking about get loans from the Government in large sums, millions of dollars on 20 years' time and some of it at less than 1 per cent interest. The Dollar Steamship Co. about a year ago obtained a loan of over \$5,000,000, 20 years' time, at less than 1 per cent interest. By the way, Mr. Dollar is one of those fellows on top the mountain shouting, "Buy American." It has just recently been developed that some of his ships are manned entirely by Chinese working at very low wages, even as low as \$7 a month.

The Government loans farmers, but usually at from 6 to 9 per cent interest.

The Government lends a billion five hundred million dollars to the railroads, insurance companies, and banks. While they are so generous with these institutions they hand out just a few millions to farmers.

The facts are, based on value of the industry, agriculture should have had half of the Reconstruction Finance Corporation's funds. They did not get 10 per cent.

For 26 years the marketing of transportation has been Government regulated on a basis of rates that cover cost of production, including interest on investment. Farmers can not secure the same treatment from the Government. That is the reason they complain.

THE FRAZIER BILL

For two years the Frazier bill has been pending before Congress. You should write to one of your United States Senators and ask for a copy of this bill. It is S. 1197. This bill provides that the Government shall refinance farm mortgages at 1½ per cent interest and 1½ per cent on the principal each year until the debt is paid. Legislatures of the following States have passed resolutions memorializing Congress to enact the Frazier bill into law: Montana, North Dakota, South Dakota, Minnesota, Nevada, Nebraska, Tennessee, Illinois, and Wisconsin. Copies of the bill have been sent to every member of the house and senate in every State where the legislature is in session.

To all of you listening in who would like to see this bill become a law, write to your members of the legislature demanding they vote to memorialize Congress.

If we could get 20 State legislatures to do this it would be almost certain Congress would pass the bill.

THE WHEELER BILL

Senator BURTON K. WHEELER has introduced a bill known as S. 2487. This bill provides for the remonetization of silver at the present ratio of 16 to 1. If the bill should become a law, it means that silver has the same privilege at the United States mints that gold now enjoys.

You should write your Congressmen and Senators to support and vote for this bill.

A little later in this program I shall discuss the Wheeler bill more fully.

JOIN THE FARMER'S UNION

At this particular time, I want to call your attention just as forcibly as I know how to the fact that the Farmers' Union is the only farm organization working for and supporting the Frazier bill, the Wheeler bill, and working for a farm bill that will give farmers cost of production for that portion of their crops consumed in this country.

If you can get another farm organization leader here in Washington to write you that their organization in national convention has indorsed the Wheeler bill, has indorsed the Frazier bill, or that they are supporting them or are supporting any bill that provides for getting farmers cost of production for their products, I will make the first one sending me such a letter a present of a \$20 bill.

What I want you all to know is that the Farmers' Union organization is the only farm organization in the United States working for these measures. These measures are called radical and the Farmers' Union is a radical organization.

If you farmers listening in who are not members of the Farmers' Union want these bills to become laws, then join the organization that sponsored these bills and is working for their passage here in Washington. There is no other way for you to help put them over. If you are real conservative and think along the lines of international bankers that remonetization of silver is too radical, you have no business joining the Farmers' Union. You do not belong with us. If you feel like the Wheeler bill is a good thing there is just one way for you to help put it through Congress and get it signed by the President, and that is to join the Farmers' Union. If you believe like the big bankers, big insurance companies that 1½ per cent interest is too low a rate for farmers and that the Frazier bill is too radical a measure, then you have no business joining the Farmers' Union. If you feel like farmers are entitled to as much as railroads, power companies, and telephone institutions, that farmers are entitled to cost of production just like they receive in their rates, then you ought to join the Farmers' Union because it is the only way you can help to get such legislation. If you feel like farmers are not entitled to get cost of production as the big interests that handle grain, cotton, livestock, and other farm products think, if you feel that such legislation would be too radical for you to support, then you should not join the Farmers' Union. Farmers listening in, what I mean is that you have the opportunity of getting these things if you will only place yourselves in position by joining the Farmers' Union where you can ask for them. If you sit back at home refusing to join and such legislation is not passed you are the one to blame.

I talked along these lines in November and again the day before Christmas over National Broadcasting Co. Our national secretary, Mr. E. E. Kennedy, Kankakee, Ill., tells me we are beginning to get results. Those of you interested in organizing a local of the Farmers' Union in your neighborhood or become a member at large, write to our national secretary, E. E. Kennedy, Kankakee, Ill., for instructions. He will also tell you how Farmers' Union members are making their organization pay in dollars and cents by placing themselves in position where they can do collective bargaining. A Farmers' Union membership card is as much a part of farm equipment as the plow or the cultivator. Write to Mr. Kennedy and get your card now.

REMONETIZATION OF SILVER

Returning to the subject involved in the Wheeler bill, the remonetization of silver.

Silver and gold have been used as money from time immemorial. There is evidence of the use of silver and gold as far back as 3,000 years before Christ. On down through time the two metals worked side by side like a team of horses until 1816, when through deception and fraud the English Parliament was induced to demonetize silver.

The demonetization of silver in this country is known as the Crime of 1873.

Congressman Bright, who was a Member of the House of Representatives at that time, declared: "It passed by fraud, never having been printed in advance, being a substitute for the printed bill; never having been read at the Clerk's desk. It was passed without discussion. It was passed under such circumstances as escaped the attention of the ablest statesmen in Congress at that time. It is a fraud that will stink in the nose of posterity, and for which some persons must give an account in the day of retribution."

President Garfield, who was Congressman at the time, said: "Perhaps I ought to be ashamed to say so, but it is the truth to say that, I at that time being chairman of the Committee on Appropriations, and having my hands overfull during all that time with work, I never read the bill. I took it upon the faith of a prominent Democrat and a prominent Republican, and I do not know that I voted at all. There was no call of the yeas and nays, and nobody opposed the bill that I know of. It was put through as dozens of bills are, as my friend and I know, in Congress on the faith of the report of the chairman of the committees. Therefore I tell you, because it is the truth, that I have no knowledge about it."

General Grant, who was President at the time, afterwards declared, "I did not know that the act of 1873 demonetized silver. I was deceived in the matter."

It was indeed a crime. It turned the control of the basic money of the country completely into the hands of a few big bankers.

President Garfield also said, "Whoever controls the volume of money of any country is absolute master of all industry and commerce."

A study of the world supply of gold and silver reveals the fact that for the last 400 years production of these two metals has been at a ratio of about 14 to 1. This fact completely destroys the often-made statement that there is too much silver for the purposes of using all of it for money.

Another startling revelation is the fact that in all the world there is only \$11,000,000,000 of gold money. It is utterly impossible for the world to pay its debts and do the business of the world with only \$11,000,000,000 of basic money. Certainly everyone agrees that with rapid transportation of 1933, with the vast production of both raw and manufactured articles in 1933, and with the increased demand for a higher standard of living on the part of the peoples of every nation there should be a rapidly increasing volume of basic money. A search of records show a steadily decreasing production of gold ever since 1915.

The following editorial from the Philadelphia Evening Ledger in March, 1930, is in point: "Economists and statesmen have been worrying in recent years about the possibility of a shortage of gold. Last September the gold delegation of the financial committee of the League of Nations reported that the supply of new gold for monetary purposes will be inadequate by 1934 unless measures are taken in time to prevent the disaster. It was informally suggested this month that the use of gold in the arts be prohibited so that the amount available for use in trade might be increased.

"It has been argued that the decline in prices since the World War is due to the shortage of gold."

Economists everywhere agree that to take care of the increased business of the world gold production should increase each year at least 3 per cent. In the period between 1913 and 1930 under this estimate gold production should have increased 51 per cent. The facts are, that in that period of time it actually decreased 10 per cent.

In the last 12 months we have seen our Government try one plan after another to relieve the terrible depression that has covered the whole country. In every instance the result has been utter failure. We were told the moratorium would bring prosperity. It failed. We were told the Reconstruction Finance Corporation loans would bring prosperity. Complete failure again. Then we listened to the beautiful song entitled, "Anti-Hoarding." The results were nil. The last popular piece of music is entitled, "Buy American." It is just as silly as the song "Anti-Hoarding." We have tried taxing ourselves into prosperity. We have tried borrowing prosperity. We have tried singing prosperity. A year ago the Republicans and Democrats alike were blaming the high tariffs contained in the Hawley-Smoot bill. To-day the papers are claiming the tariffs are too low.

When will these statesmen learn the truth? When will they inform themselves why Canada can ship poultry and dairy products into this country to-day that she could not ship two years ago? When will they learn why Japan makes a large portion of the American flags used in the United States? When will they know why every nation on the face of the earth is paying the high tariff and then selling their goods to our people? There is just one reason. Our ignorant, criminal, big bankers, blinded by greed and avarice, refuse to concede that a nation with a high-priced dollar can purchase the products of other nations that have low-priced money, but can not sell their products to those nations with the low-priced money.

We boast about our high-priced gold dollar when it is the biggest enemy the people of this Nation have. It is the cause of many of these big fellows jumping out of the windows of tall buildings. It is the cause of nine-tenths of the murders and other crimes committed in this country. It is the cause of millions of people being idle, hungry, and cold. It is the cause of millions of farmers forced onto the highways, homeless, and without bread.

The Israelites in their most heathenish days never approached in degree the worship of gold as have the people of this Nation.

Remonetize silver to-morrow and China can buy of us, more than half the countries of the world can buy of us that now are barred from buying here. Remonetize silver to-morrow in order that we may trade with other nations, let this Government issue the paper money used in this country instead of giving that privilege to a handful of bankers and in 30 days we will be a happy people, knowing that prosperity is not just around the corner, but in our midst.

PRODUCERS OF RAW MATERIALS

Let me again remind you, as I have in former talks, that the producers of raw materials have a common interest. The producers of raw materials are the ones crushed in a time like this. If the producers of raw materials of this country, our agricultural products, lumber, coal, copper, and oil were receiving proper protection from their Government and profitable prices, there would be no such thing as unemployment.

The big interests of the country, the billionaires of our Nation, are the ones who prevent proper protection of our independent producers of this country. These billionaires own oil fields, forests, and coal mines in other countries and produce them with labor that costs in many places 10 cents a day and with low ocean freight rates made low by crooked mail contracts bring their cheap products in and crush our independents.

STATE LEGISLATION

Many of our State legislatures are in session. You should be watching all bills on taxation. You should be watching all appropriations. You should be watching the efforts of the railroads to legislate against the use of trucks, busses, and automobiles.

MOTOR LEGISLATION

A month ago I gave advance warning of the flood of bills that would be introduced in the various State legislatures designed to restrict and interfere with motor-vehicle transportation and to divert gasoline-tax funds to nonroad purposes. A brief review of the hundreds of bills of this kind that have been introduced in

the past few weeks in the 43 State legislatures now in session confirms my worst fears. In nearly every State bills are now pending which, unless defeated by farm forces and other users of motor vehicles, will not only increase the cost of operating or using automobiles, trucks, and busses but will actually drive many of the commercial carriers off the highways.

We must remember that farmers not only own approximately 900,000 trucks but each year as they seek more distant markets they must rely more and more on the larger commercial trucks.

So important is this matter of guarding in the various States against adverse legislation intended to hamper motor transportation that the heads of the three leading national farm organizations held a conference here a few days ago and issued a joint statement urging the State farm leaders as well as other users of motor vehicles to take active steps to oppose such legislation in their State legislatures.

Our statement was directed particularly against the so-called "model" bill developed by railroad interests as adopted by the National Association of Railroad Utilities Commissioners and urged for enactment in each State.

To bring as many private operators as possible under the iron hand of the law, the bill provides that where goods are transported for more than one consignor or to more than three consignees this shall be considered prima facie evidence of operation as a common carrier. A farmer could not carry a load for hire for two of his neighbors or deliver to more than three consignees without being forced to qualify as a common carrier, pay the fee, and undertake to get a certificate of convenience and necessity.

BE ENCOURAGED

As I come to the close of this hour I want to insist again that you farmers who agree with the Farmers' Union program, and who are not members of our organization, write our national secretary, E. E. Kennedy, Kankakee, Ill., for full information how you may become a member and organize a local of the Farmers' Union in your community. To all of you listening in let me ask you not to be discouraged. Relief is a thing of slow process.

About 12 years ago Senator GEORGE NORRIS offered a proposed constitutional amendment known as the lame-duck amendment. It provided that after a presidential election in November the President elected should be inaugurated January 20 instead of March 4. It also provided that a regular session of Congress should begin in January instead of a short session in December. Senator NORRIS was successful in getting this proposed amendment through the Senate a number of times, but he was never able to get it through the House of Representatives until about a year ago. In less than a year after submitting this proposed amendment to the various State legislatures it was ratified by the necessary 36 States. Not a legislature that has been in session since then has turned it down. In the last few days several more States have ratified it. It looks like it is so popular that every State will ratify it. Of course, it is a part of the Constitution now, but it continues to get ratification by State legislatures.

If Senator NORRIS could keep up this untiring fight for 12 years and then see his efforts adopted unanimously by the whole United States, it ought to encourage those of us working for the Wheeler bill, the Frazier bill, and the cost of production for farm products to continue our efforts until these measures become laws and prosperity and happiness the priceless possession of every family in the United States.

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The VICE PRESIDENT. The pending amendment will be stated.

The LEGISLATIVE CLERK. On page 57, line 4, after the word "Provided," the Committee on Appropriations report, to strike out—

That no part of the money herein appropriated shall be paid on contract No. 56 to the Seatrain Co.: *Provided further,*

Mr. ODDIE. Mr. President, last night when the Senate recessed the Senator from Florida [Mr. FLETCHER] had the floor, and it was the understanding that he would complete his statement this morning. When he has completed it I would like to make a very brief statement regarding the validity of ocean mail contracts.

Mr. FLETCHER. Mr. President, I discussed this subject just before we adjourned last evening, and I wish to add only a few words with regard to certain points involved. I propose to limit so far as I can what I have to submit further, very largely because of the assurance, or the statement at least, of the Senator from Tennessee to the effect that if this amendment shall be agreed to it will not stay in the bill; that if the amendment goes to conference, the conferees will eliminate it. I hope that will prove to be true. I protest against this amendment reported by the committee. I think the provision of the House bill ought to remain, and

I hope the Senate will disagree to the committee amendment.

I wish to refer now to two points. When application is made for a mail contract the applicant sets out the services and routes and all the conditions which make the applicant eligible for such contract. The Shipping Board certifies to the Postmaster General the kind of service that is needed. This procedure applies, of course, to foreign trade. The purpose of the particular provision of the law was to encourage commerce between the United States and foreign countries, to make available the facilities necessary to handle that trade and that commerce. It is the whole purpose of this provision to help shipping.

So the Seatrain Corporation makes application for a mail contract. The service proposed was the operation of the so-called seatrains on a route between New Orleans and Habana. Habana being a foreign port, the applicant was eligible for this kind of a contract, and it took the usual course, but the whole purpose was to develop trade and commerce and afford facilities by the operation of these vessels between New Orleans and Habana.

The same representation was made to the Shipping Board when the Seatrain Corporation applied for a loan to build these two seatrain ships. The application was granted, supposing that that contract was perfectly valid and legal and that the corporation would stand by the contract as it was made. What has happened? The trade between New Orleans and Habana did not measure up to the expectations of this corporation. It has decreased, so that 20 per cent of their capacity only is needed to do the business between New Orleans and Habana, while 80 per cent of their capacity is required to carry on their business between New Orleans and New York, which is a coastwise operation, an altogether different operation from that originally undertaken. So now they are actually operating their ships between New Orleans and New York, carrying freight cars. That is their main business. They carry the mail from New Orleans to Habana, it is true, but Habana, instead of being the terminus is merely a port of call, and the Habana business, instead of being the main and primary and major portion of their enterprise is inconsequential and incidental. They are, I repeat, making Habana merely a port of call. Their business is coastwise, which is an altogether different kind of business from that originally contemplated and on which the contract was based.

It is said that when this condition developed they applied to the Shipping Board for permission to operate their seatrains coastwise, and that the Shipping Board, by means of force and compulsion and a club, as it were, obliged them to waive their mail pay for six months. The facts about that are these:

There is not the remotest dispute, Mr. President, that the Seatrain coastwise operations were not permitted by the loan contract with the Shipping Board and were not contemplated by the mail contract with the Postmaster General. While it is now plain that the Seatrain Co. had for many months intended to enter the coastwise trade, it failed to request the board's permission until September 23, 1932, about 10 days before their first sailing from New York. They delayed requesting the Shipping Board for a permit to change the character of their operations, and the insistence that they could not sail until this matter was passed upon was due to their own fault.

The board called a public hearing on September 29, at which it received abundant evidence that such coastwise operations, in connection with a subsidy, would be greatly damaging to other shipping operators and to the railroads. There can be no question about that. It is an unheard of proposition that vessels operating along the coast, doing a coastwise business, are entitled to a subvention because they happen to make a foreign port a port of call, and, therefore, call it a foreign operation. In other words, this concern is being given a subvention in the way of a mail contract amounting to \$240,000 a year, running for 10 years, involving in the aggregate of \$2,400,000, when their business is mainly coastwise, thus giving them an advantage over

all ships operating along the coast and over the railroads and all carriers engaged in that kind of commerce. I do not see that that is defensible at all.

So, after these hearings, and after weighing the evidence, the board decided that it would not grant coastwise permission unless the Seatrain Corporation waived their mail subsidy, especially as they had told the board that 80 per cent of their business would be coastwise and 20 per cent or less would be foreign trade to Cuba. That is their own statement.

The chairman of the Shipping Board took it up with the Acting Postmaster General and got the written approval of the Post Office Department to the proposal that no mail pay be granted. The board itself then adopted a resolution granting a coastwise permit but object to the Seatrain's waiving mail pay. I have a communication from the board to that effect, setting out the resolution, and I ask to have it inserted in the Record as a part of my remarks at this point.

The VICE PRESIDENT. Without objection, that order will be made.

The communication referred to is as follows:

UNITED STATES SHIPPING BOARD,
Washington, January 5, 1933.

HON. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

DEAR SENATOR FLETCHER: Acknowledgment is made of the receipt of your letter of January 4, 1933, in which you request advice as to what action the Shipping Board has taken as relates to mail-contract payments to the Seatrain Lines (Inc.).

The board, in its discretion on October 6, 1932, passed the following resolution:

"Resolved, That the Seatrain Lines (Inc.) be authorized to carry on coastwise trade between the ports of New York and New Orleans via Habana in the new Seatrain vessels for a period of six months from this date: *Provided, however,* That during said period said Seatrain Lines (Inc.) shall relinquish all mail compensation which may be payable under their mail contract No. 56 for services rendered during said six months' period, and all mail money which might otherwise be due during said six months' period shall be withheld and shall not be paid to the Seatrain Lines (Inc.) by the Postmaster General: *And provided further,* That this resolution shall become effective only upon the written consent and agreement of the said Seatrain Lines (Inc.), nor shall this temporary approval of said proposed service in any wise change or amend existing contracts between the Seatrain Lines (Inc.) and the United States, except so far as is hereinabove set forth, nor shall anything herein contained affect in any way the validity of said mail contract."

On December 21, 1932, the board, upon reconsideration and for the purpose of leaving to the Postmaster General the exercise of his authority with respect to mail pay, passed the following resolution:

"Whereas the United States Shipping Board, at a meeting on October 6, 1932, adopted a resolution, a copy whereof is hereto attached; and

"Whereas it has been brought to the attention of the United States Shipping Board that the requirement of the said resolution that Seatrain Lines (Inc.) shall relinquish all mail compensation which may be payable under their mail contract No. 56 for services rendered during said six months' period, and all mail money which might otherwise be due during said six months' period should be withheld and should not be paid to the Seatrain Lines (Inc.) by the Postmaster General, concerns only the Post Office Department of the Government: Be it

"Resolved, That said United States Shipping Board now declare that said requirement for the relinquishment of mail compensation and for the withholding of the same be, and the same is hereby, removed from the said resolution of October 6, 1932, and that the said resolution of October 6, 1932, in all other respects shall remain in full force and effect."

Should you desire any further information we will be pleased to respond to your requests.

Very truly yours,

T. V. O'CONNOR, Chairman.

Mr. FLETCHER. The resolution was signed and accepted by the Seatrain people, and several weeks later ratified by their board of directors. Second Assistant Postmaster General Glover told the House committee, at page 142 of the hearings, as follows:

They waived the claim, and the Shipping Board put it into a resolution, and the resolution was sent to the Comptroller General, so it would be impossible for the Post Office Department to make the payment.

That is the situation, and yet an effort is being made to have this appropriation made according to the original arrangement and undertaking.

With reference to the question raised by the Senator from New York, admitting the original contract was valid, saying nothing about that, they come now and ask to change and modify that contract so that they may do a coastwise business, which was never contemplated originally. I submit that they can not modify that contract; they can not change the contract so as to engage in the field of coastwise business, which would be a departure from their original undertaking entirely, without giving the public the right to bid on such contracts. In other words, the advertisements originally specified that the service was to be between New Orleans and Habana, and the contract was based upon that. They now admit that it was, but that they are actually operating between New York and New Orleans and making Habana merely a port of call. They changed their original purpose, and the only reason they give for it is that the business between Habana and New Orleans has decreased.

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New York?

Mr. FLETCHER. I yield.

Mr. COPELAND. I call the attention of the Senator from Florida to the fact that on the 11th of January of this year the Postmaster General, according to a letter which was put in the RECORD last night by the Senator from Nevada [Mr. ODDIE], which is found on page 2674, says—I will not attempt to read all the letter, but merely the last paragraph—

In view of the premises and considerations stated in your letter, it would, in my opinion, be in the interest of the Government to accept your proposal, and I hereby agree to the modification of the contract on ocean mail route No. 56 accordingly.

So there is a contract.

Mr. FLETCHER. There was a contract, I admit.

Mr. COPELAND. Yes; but speaking about the act of June 5, 1921, whereby the General Accounting Office was established, section 618 expressly provides that the Comptroller General shall specifically report to the Congress every expenditure or contract made by any department or establishment in any year in violation of law. If there is a valid contract, certainly the Senator from Florida does not wish to set that aside. If this contract is not valid and the fact that it is not valid is the belief of the Comptroller General, it is his duty under the law to proceed in the matter.

As I said last night to the Senator, I have no particular interest in the Seatrain matter; I have much greater interest in many other lines; but I should dislike to see the Senate take any action which seems to be in the direction of abrogating a contract. My judgment is, I may say to the Senator, that there is a contract. Whether it was a wise contract I am not discussing; but there is a contract, and certainly the Senator would not wish, if there is such a contract, to set it aside. Am I right in that?

Mr. FLETCHER. The Senator is quite right; I do not want to violate any contract or set aside a valid contract. My contention is that when these people themselves agreed that they would not ask for this pay on condition that they should be allowed to operate their ships in the coastwise trade, they changed the contract; they abandoned their original contract; they destroyed that contract. They have proposed a new contract upon new conditions and a new consideration, and that is the matter that is pending now with the Postmaster General. I did not know he had decided it; I do not think he can decide it.

Mr. COPELAND. Mr. President, will the Senator yield further?

Mr. FLETCHER. Yes.

Mr. COPELAND. I heard the story for the first time from what the Senator from Pennsylvania [Mr. REED] said yesterday, that in a sense this line was coerced.

Mr. FLETCHER. I just made a statement with reference to that.

Mr. COPELAND. Oh, the Senator explained the matter?

Mr. FLETCHER. Yes. There was no coercion whatever. That is absurd. They never applied until 10 days before their first sailing. I gave the date here. That was

the first time they asked the Shipping Board for permission to operate coastwise. Then the Shipping Board gave hearings on the matter; and the Shipping Board said, "We will not permit you to engage in this trade, contrary to your original undertaking, unless you waive mail pay"; and the company agreed to that.

Mr. COPELAND. So far as I am concerned, I do not believe in an arrangement which has a dual service—a foreign and a coastal service both. We must protect our coastal service; but, at the same time, as I view it, we have entered into a solemn contract with this company through the agency set up by the Congress.

Mr. FLETCHER. To operate a service between New Orleans and Habana.

Mr. COPELAND. But through an agency set up by the Congress, the Postmaster General, there has been made a new contract, in which the Postmaster General has sought to protect the country by subtracting from the total amount which the Seatrain Co. could receive under the original contract such earnings as it gets from this modification of that contract.

Mr. FLETCHER. How has that contract been made—by a communication, by letters from these people? There has been no new contract made. There has been no new document signed, no agreement made. It is simply suggested in that letter that the Postmaster General has written to the Seatrain people that he would do so-and-so. He has not any authority to do anything of the kind. Let me call the Senator's attention to this fact:

The Post Office officials are required by law to let these contracts subject to competitive bidding. They are required to advertise to the public what they propose to do, and call for bids. The whole public is entitled to submit bids. The advertisement in this case was for operating a service between New Orleans and Habana. That was the bid; and the department went so far as to specify boats that would be operated in such a way that only the Seatrain Co. could bid. But, assume that other people were allowed to bid, that was the bidding they were required to make, with reference to a service between New Orleans and Habana.

It is a different proposition altogether where the contract is proposed to be made with a concern that proposes to operate their ships coastwise and make Habana merely a port of call. It is altogether a different proposal, and the public is entitled to bid upon that proposal. The Postmaster General, under the law, must advertise for bids for carrying the mail between Habana and New Orleans by ships that only make Habana a port of call and are operating between New York and New Orleans. If that advertisement were inserted and the public had an opportunity to bid upon that service, we would get an entirely different bid from the bid that was obtained on the service from New Orleans and Habana.

There are plenty of ships engaged in the coastwise trade that would not mind making a little triangle off to Habana. Habana is only 96 miles from the coast of Florida. It is practically all coastwise trade; but Habana is in a foreign country, and therefore, technically, we call it foreign trade. The purpose was to build up the business between New Orleans and Habana.

This company proceeded to operate the ships between New York and New Orleans. Eighty per cent of their enterprise is devoted to that service and only 20 per cent of their enterprise to carrying business between New Orleans and Habana. Instead of Habana being the terminus of that service and the main thing to be served, now it is New York, coastwise business, and Habana is merely a port of call. So that that is a different proposition; and I submit that before the Postmaster General could let a contract for that kind of service, he must advertise it; he must offer it to the public and give the public the right to bid. There are plenty of ships owned by other companies that would have bid. His duty is to let this contract to the lowest and best bidder. There are plenty of shipping companies that would like to bid on a contract of that sort, much more than if they were required

to establish a service simply between New Orleans and Habana.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield to the Senator from New York.

Mr. COPELAND. No one in the Senate is more anxious to do the right and just thing than the Senator from Florida. I know that; but the Senator recites certain facts and the law, and if he is right the country is protected, because the Comptroller General has ample authority to deal with the problem.

I want to point out to the Senator, however, that, regardless of whether or not the Senator from Pennsylvania [Mr. REED] was right, the fact remains that the matter became in controversy and the parties appeared before the Shipping Board; and the Shipping Board, by a resolution adopted on the 6th of October last, amended a resolution adopted in December.

Mr. FLETCHER. Simply by striking out that part of the resolution with reference to the pay. That, of course, is a matter for the Postmaster General.

Mr. COPELAND. Well, the Shipping Board—and I think the Senator will agree with me that the Shipping Board has always sought to protect intercoastal shipping—the Shipping Board by resolution determined that it was a proper thing and a wise thing to modify this contract with the Seatrain Co. Then, as I have already indicated, on the 11th of January the Postmaster General, acting under the law, did modify the contract.

Mr. FLETCHER. If he could.

Mr. COPELAND. If he could. He did it, anyhow, as far as he could. Now, if he did it in violation of law, we have ample protection in that the Comptroller General must pass upon it.

Mr. FLETCHER. Yes.

Mr. COPELAND. But it is a fact, of course, that the Seatrain Co. has a smaller return by reason of this modification. We are paying the Seatrain Co. less money than we did before.

We have an interest in the Seatrain ships, in that we have a mortgage on those ships, have we not?

Mr. FLETCHER. Yes; and the Sun Shipbuilding Co. and these other people that built the ships have an interest in them, and they are the ones that are wanting this mail pay.

Mr. COPELAND. Regardless of who wants the mail pay, unless this line can be made to succeed, unless it is preserved from bankruptcy and destruction, the ships will come back on our hands. That is what is going to happen.

As I have frequently said, I am not particularly interested in this Seatrain business. I am much more interested in the coastwise service from New York; but the thing that impressed me in the first place about the Seatrain service was that it was represented to us that these ships would be useful in time of war as airplane carriers. Am I not right in that?

Mr. FLETCHER. There is some claim of that sort, but a good many people think that is buncombe.

Mr. COPELAND. Anyhow, the Government has a mortgage upon the ships?

Mr. FLETCHER. Yes.

Mr. COPELAND. And if the company is not permitted to operate—and in this time of economic depression it is doubtful if it could operate if it did not receive this assistance—probably the ships will come back on our hands. If we want them, that is all right; but my judgment is that we had better let the Comptroller General fight out the matter with this company; and if the contract has been made in violation of law, justice will be done to the United States.

Mr. FLETCHER. Of course, the Senator or anybody can build ships and operate them coastwise at any time. Nobody denies the right of this company to operate the ships in the coastwise business; but they are not entitled to a subsidy from the Government when they go into that business in competition with all other coastwise shipping and the railroads that also carry freight in the same direction. That is what the Shipping Board said: "You can go on; we will

give you permission to operate coastwise, but you must waive your mail pay."

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. FLETCHER. I yield.

Mr. REED. Is it not true that the people who are complaining of the mail contract of the Seatrain Co. themselves have mail contracts and always have had?

Mr. FLETCHER. I do not know anything about that. I do not know what people the Senator has in mind.

Mr. REED. The Senator knows that the Florida East Coast Railroad Co. and the Southern Pacific Railroad Co. both have mail contracts, have they not?

Mr. FLETCHER. They probably have. I do not know. I never inquired.

Mr. REED. Why do they find fault with the Seatrain Co., then, because it has a mail contract?

Mr. FLETCHER. I never inquired about that. I know that an American citizen, Henry M. Flagler, solely and alone, without asking anything from the Government from the day he was born to the day he died, put up the money to build three car-ferry ships to operate between Key West and Habana. He operated those ships at his own expense, at his own cost, at his own risk. He built them at his own risk. He never asked the Government for a single cent. These ferries were operating between Key West and Habana. Some people thought Mr. Flagler was wild, that it was a mere dream to think about building three ferryboats to carry freight between Key West and Habana; but I never will forget what he said to me on the subject when I happened to be invited to ride with him from St. Augustine to Jacksonville. This was before this road was completed to Key West, before the Overseas Railroad was built at all. The railroad then terminated in Miami. He said: "I hope to see the day when we can load a freight car in Chicago and unload it in Santiago."

I thought it was a perfectly wild idea; but he did live to see that day. He built that road to Key West at his own expense. He built these ferryboats—first, one, and then the business grew until he built another, and it continued to grow until he built a third at his own expense. He operated them, and the cars were loaded in Chicago, carried on the ferry from Key West to Habana, and from there by railroad to Santiago. He lived to see that time.

Later that business fell off. Those ferries became a tax, a burden, a liability on Mr. Flagler's hands—two of them, at least. He was willing to put those ferries into the business between New Orleans and Habana, because the trade from Habana to New Orleans had developed very largely, and Key West was somewhat eliminated from it. He was willing to put the car ferries on that route. He applied to the Interstate Commerce Commission for permission to operate these car ferries from New Orleans to Habana, and these other people came in and said, "We have a much better, bigger boat. Your boats carry only 30 cars each. We have an outfit that will carry 90 cars, and we want this business ourselves." So they proceeded to apply for a loan, for a contract, representing that they were going to do that business between New Orleans and Habana. That was their representation. While the petition of the car ferry company from Key West was pending before the Interstate Commerce Commission, these people stepped in and got this contract.

All right. That shut out the car ferry between Key West and Habana. Those car ferries are still idle, I presume; but they were ample to do that business. I contended when this contract was made that the business between New Orleans and Habana did not warrant this tremendous investment in these tremendous seatrains.

Now, you see what has happened. They do not intend to operate between New Orleans and Habana, as they undertook to do. They are engaged in the coastwise trade from New York to New Orleans, with Habana merely a port of call. It is not foreign commerce; it is coastwise trade in which they are engaged. That is the point I am making.

Mr. KING. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield to the Senator.

Mr. KING. I ask the Senator if the evidence appearing in all of the records up to date, and the hearings, do not justify and, indeed, compel the conclusion that the Seatrain Co. obtained this contract from the Postmaster General fraudulently by the concealment of their purposes and of their plans?

Mr. FLETCHER. I do not care to go into all that. That is ancient history, in a way. I simply say they got the contract. I am not questioning the validity of that contract originally, but I am questioning the power of the Postmaster General or anybody else who so changed that contract as to destroy its substance and its characteristics. It was based upon the idea of foreign commerce. That was the only consideration upon which they had a right to let the contract. It was called foreign commerce because it passed from an American port to a port in Cuba. I am not questioning that. But now they are not doing what the contract calls for; they are not making Habana a terminus of their service at all. They are not making Cuban business the main part or a large part of the service. They testified that the Cuban business amounted to only 20 per cent of their capacity, that their main business, 80 per cent of it, was coastwise business. That never was contemplated in the beginning, and nothing was said about it until they got the loan from the Shipping Board to build the ships and had them built. Then they decided they were going to operate them coastwise. Whether they intended that originally or not I am not saying, but they did not so represent it, and it was not included in the advertisement or the call for bids for this contract.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. CUTTING in the chair). Does the Senator from Florida yield to the Senator from Nebraska?

Mr. FLETCHER. I yield.

Mr. NORRIS. I have no knowledge about this contract, and I want to get the facts correctly in my mind if I can. I want to assume that they did what the Senator said and that they used Habana as a port of call only. What injury would result to anybody, assuming all of that to be true? Who was hurt by it? Was the Government injured in any way by that?

Mr. FLETCHER. In the first place, they are getting a Government subsidy, and they are competing with all vessels engaged in the coastwise trade of the United States.

Mr. NORRIS. Again I am uninformed, and I am inquiring for information only when I ask whether those other vessels which compete are also getting a subsidy in the coastwise trade?

Mr. FLETCHER. No; not one.

Mr. KING. They could not get it.

Mr. NORRIS. Why not?

Mr. FLETCHER. Because this mail contract applies only to vessels engaged in foreign commerce.

Mr. NORRIS. And they get their contract on the basis of going to Cuba?

Mr. FLETCHER. Yes.

Mr. NORRIS. And use that as a means by which they engage in coastwise trade?

Mr. FLETCHER. Yes; and get \$240,000 a year advantage over every American vessel engaged in the coastwise business.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. SMOOT. The Seatrain Co. admits that if the ships are partly loaded with freight for New York their operation then is not 100 per cent a foreign operation but is partly a domestic or coastwise operation, and they are willing to waive the proportion of their mail pay their coastwise cargo bears to the total earnings of the voyage. That is how it is connected with the coastwise trade and the contract of the Seatrain Co.

Mr. FLETCHER. In other words, they made a proposition for service between New Orleans and Habana, which is

foreign service. They qualified in that way; they got a contract based on that service between New Orleans and Habana and nowhere else. Now they propose to change their service from New Orleans to New York, with a stopping place at Habana. That is the proposition.

I contend, in the first place, that the Postmaster General has not any right to change that advertisement and that classification and that contract, which was made for service between New Orleans and Habana, so as to let the contractor operate to New York in the regular coastwise trade, and merely make Habana a port of call. I say that if that had been the original proposition, if it is to-day the proposition—and that seems to be what they want—then it is the duty of the Postmaster General, under the law, to call for competitive bids and give all American vessels which are engaged in the coastwise business an opportunity to bid on the contract, advising them that they might be awarded the contract because they stop on their way from New Orleans to New York at Galveston, Mobile, Houston, or any other port on the Gulf. Let this opportunity be given to the public to bid on such a contract. Nobody else has had any chance to do that, because the only offer of service was between New Orleans and Habana. If the service is to be coastwise service, with a stop at Habana, let it be open to the public, and let other companies operating ships which are engaged in the coastwise business have an opportunity to bid.

It seems to me there can be no escape from my contention, because the law requires that the Postmaster General shall advertise for bids, and that the public shall be given the opportunity, and then the Postmaster General must accept the lowest and best bid.

Regarding the Comptroller General, I want to read from his statement to the Postmaster General with reference to this contract. He said:

No charges against appropriated funds will be approved for payment to the Over-Seas Railways (Inc.), under the contract you report as having been awarded until there have been presented the facts requested in my letter of October 24, 1931, and such facts are shown to bring the contract within the terms of the statute.

It is doubtful whether the Comptroller General will allow any payment at all under the original contract. That is his holding. The facts he has requested have not been presented to him, and I am quite sure he would not approve of payment based upon a modification of a contract made by correspondence between the parties.

I beg pardon for taking so much time, and I shall not discuss the matter any longer. I submit it to the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had insisted upon its amendment to the bill (S. 4509) to further amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Evans of Montana, Mr. Yon, and Mr. Colton were appointed managers on the part of the House at the conference.

THE FIVE-DAY WEEK

Mr. BLACK. Mr. President, I do not desire to divert the attention of the Senate for any length of time from the subject under discussion, but there seems to be in some places a misapprehension as to the reason for holding hearings at the present time on a bill providing for a 5-day week and a 6-hour day. I wish to call the Senate's attention at this time to an article appearing in this morning's Washington Herald containing a statement attributed to Mr. Henry Ford, in which he is reported to have said:

My competitors are trying to stop another Ford car from being made. They have succeeded for a few hours, but I will fight them.

The truth is that certain bankers, in cooperation with certain of my competitors, are trying to obtain control of this concern and their effort is to prevent the new Ford from leaving the factory.

At the very time that statement was being made a witness was testifying before a subcommittee of the Senate

Committee on the Judiciary considering the measure providing for a 5-day week and a 6-hour day. That witness was calling attention to the fact that a very small group of banks in the city of New York had practically obtained complete control of the financial affairs of this Nation. It is quite a coincidence that Mr. Ford, who can certainly not be said to be opposed to the money interests of this country, should have given out this statement at the present time.

Our attention was called in the committee to the fact that 8 New York commercial banks hold 3,741 directorships in other banks and businesses in this country. Among the companies in which these banks hold directorships are automobile manufacturing companies competing with Mr. Ford.

It was shown in the hearing that the Chase National Bank, of New York, holds directorships in 855 different industrial and manufacturing and banking institutions. It was shown that one man holds 125 different directorships in the large business institutions of this country. Of course, it is impossible for him to perform his duties as a director in 125 large institutions, but it does show the immense extent to which these large banking interests have taken control of the money affairs of this Nation and have spread their tentacles to every nook and hamlet in America.

I mention this matter in connection with the pending bill for this reason: We are holding hearings on a measure providing for a 5-day week and a 6-hour day. If there are those here who think those hearings are simply being conducted so as to collect evidence, without the idea of passing the measure before us, I want to let them know that they can abandon any such conception.

What connection is there between the control of the affairs of this Nation by these banking institutions and a 5-day week and a 6-hour day? In the current issue of the National City Bank Bulletin, published in January of this year, appears an argument against just such a movement. The argument is made that wages must be further deflated in order to bring about prosperity to the United States.

It is also stated in the same bulletin, showing the humane attitude taken, that the dairy interests of New York are suffering by reason of a surplus of dairy products, and it is stated in the bulletin that they are suffering from the surplus on account of the fact that the consumers, the men, women, and children of New York, are no longer able to buy milk.

They do not suggest as a remedy that the purchasing power of those who buy the milk be increased, but their remedy is further to deflate their wages and bring about, if possible, a decrease in the production of milk to be supplied to the hungry men, women, and children of New York City.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. THOMAS of Oklahoma. A study of the submitted records shows that the three largest banks in New York have combined resources of slightly less than \$6,000,000,000. If those banks can exert the power the Senator indicates they are exerting, with their present resources, what might be the result of a chain banking system, under which the banking facilities of the country might ultimately be centered in New York?

Mr. BLACK. I will state to the Senator that as the evidence is developing before the subcommittee, it is indicated that they have almost all the power they could have under any conditions. I agree with the Senator fully with reference to his objection to chain banks and to branch banking, but the evidence is developing before the committee that the eight banks which were named have extended their control to every business activity in America, that they have demanded that wages be reduced, that they have opposed keeping men on pay rolls, that they have coerced the business enterprises of the country into adopting the policy which this small group of banks desire to be adopted.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Oklahoma?

Mr. BLACK. I yield.

Mr. THOMAS of Oklahoma. If these few banks, with their small resources of a few billion dollars, can exert the power they exert now, under the chain system or branch bank system, I think the Senator will agree that very soon the entire banking resources of the United States, amounting to something like \$60,000,000,000, would be centered in them. Then if they can exercise this power with so small a resource power as \$6,000,000,000, what could they not do throughout the world with a \$60,000,000,000 of resource power?

Mr. BLACK. The evidence tends to indicate that they have the \$60,000,000,000 resource power now through their control of business activities—automobile manufactures, chemical enterprises, public utilities, and railroads. One of the strange things is that the evidence has already shown that some of the railroads which have borrowed money from the Reconstruction Finance Corporation have sitting on their boards of directors members of the board of directors of the Chase National Bank, of New York, and of the other banks in New York.

Mr. President, it is not my intention this morning to discuss this matter at any length. I expect early next week to give to the Senate a résumé of some of the evidence which has been brought before the Senate committee on the 5-day week and the 6-hour day. But at this time I wish to invite the attention of the Senate to the fact that there have been few matters proposed in this body, very few, which strike at the fundamentals of the widespread distress which exists in America to-day. There has been an attempt, of course, to give employment by lending money through the Reconstruction Finance Corporation to various business enterprises, some of which are tottering. That has not increased employment. There have been various other methods suggested, such as the moratorium on foreign debts, and other plans. It has even been suggested that all that is needed is to balance the Budget and everybody will be put to work.

Mr. President, the 5-day-week and 6-hour-day plan is one of the few measures that have been proposed which strike at the fundamentals of unemployment in the United States. I do not know whether we can bring in a report at this regular session or not. I hope we can. I believe the shorter work week and the shorter work day are inevitably going to help business recovery in this Nation. I have no question as to the Supreme Court sustaining the constitutionality of the bill which I have offered. I intend to bring before the Senate from time to time from now on, in an effort to get this remedy before the Senate and before the people of the country, the imperative necessity for taking action quickly in order to relieve the widespread distress, misery, human suffering, and poverty which exist all over the Nation.

I invite those Senators who may be interested in the form of the bill, who may be interested with reference to different phases of the bill which will come before the body, if they have constituents who have objections to the measure and who wish to suggest amendments or exceptions to make it work in a more satisfactory way, to have them come before the committee. We do not want any claim made after the bill is reported back to the Senate that there was not ample opportunity for hearing. We have let everyone come for or against the measure who desired to appear before the committee. We shall meet again next Tuesday morning, and it is our intention to remain in session long enough to give all who are interested a chance to appear before the committee. But we do not want anyone, after the bill has been returned to the Senate, to come here and make an effort to delay the consideration of one of the few measures which have been offered to give employment to the people of the country, by saying they did not have an opportunity for a hearing before the committee.

Mr. BROUSSARD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield.

Mr. BROUSSARD. Has there been evidence produced before the committee as to certain corporations dealing with securities who have borrowed money from the Reconstruction Finance Corporation and within a month afterward have gone into the hands of receivers, after paying to certain banks large loans which they had secured?

Mr. BLACK. That is not within the scope of the activities of the committee. The only reason why the committee has had before it anything in connection with the consolidation of the huge power in the banking interests in New York is because Mr. Frey stated to the committee that he had found that it is no longer possible for the laboring men, through their organizations, to deal with the managers of business enterprises. They have discovered that the business enterprises are subject to the orders and to the coercion of bankers, who in turn are controlled by a small group of banks in New York. For that reason we have been going into the question of that power, and we intend to go into it just as fully as the scope of our power will permit.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. BLACK. I yield.

Mr. COSTIGAN. The Senator's forceful remarks on the measure introduced by him might well have been made in connection with section 11, page 76, of the pending bill, which provides, in part, that any employees of the Veterans' Administration homes, hospitals, or combined facilities are to be, in the discretion of the Veterans' Affairs Administrator, subject to orders to work for seven hours on Saturday. The section as drafted further provides that the work of such employees in excess of four hours on Saturdays shall not entitle such employees to an equal shortening of the work day on some other day or to additional compensation therefor. While the Senator is properly urging the Senate to recognize the merits and great importance of his general measure, I wish to inquire whether he does not think the Senate should carefully scrutinize any such provisions in pending legislation?

Mr. BLACK. May I state to the Senator from Colorado that I have in my office a letter from a veteran who sought a position with the Veterans' Bureau until he learned about the hours he would be compelled to work. He discovered they were so long in a certain hospital that he did not feel he could perform labor for the long period of time that would be required of him, and for that reason withdrew his application for the position. I certainly think the Senator is correct in connection with the suggestion that has been made.

Mr. President, I shall not longer detain the Senate at this time, because it is my intention to bring before the Senate next week a résumé of some of the evidence which has been brought to bear in connection with this bill and the imperative necessity for the Senate to begin to realize that, however important it may be to balance the Budget, the paramount question before the American people to-day is what we are going to do with the 12,000,000 who are wholly and completely out of work and perhaps 12,000,000 more who are working on half time.

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

Mr. TRAMMELL. Mr. President, I hope the action of the committee in regard to the so-called Seatrain item in the appropriation bill will not be sustained and that, to the contrary, the action of the House in writing the provision in the pending measure shall prevail. At the time the House specified that no part of the appropriation for foreign mail service should be paid to the Seatrain Co., even the Postmaster General had not agreed to any part of the funds

being used for that purpose, but, on the contrary, the Assistant Postmaster General, as appears from the hearings before the House committee, had stated that he did not believe the Postmaster General would make a payment to the Seatrain Co. under its old contract, considering the character of service in which it is now engaged.

The question now resolves itself into whether or not this branch of the Congress desires to go on record in favor of authorizing—or encouraging at least—the Postmaster General to make a modified contract under all the circumstances. As I said, according to the evidence of Mr. Glover, the Assistant Postmaster General, at the time the House took action, the Postmaster General had not made any modification whatever of the contract with this company.

I take it that any Senator knows full well that under a contract which provides for mail service from New Orleans to Habana, Cuba, under the subsidy provision of the law, the contractors are not entitled to any pay when they do not comply with the terms of their contract. Certainly they are not complying with the terms of that contract when they engage their vessels primarily in coastwise trade as they are doing at the present time.

Mr. LONG. Mr. President, will the Senator permit me to ask him a question?

Mr. TRAMMELL. Certainly.

Mr. LONG. What is the Senator's view about what we ought to do? We all know these contracts are merely mail subsidies, but I think we know too that if we are to keep the American merchant marine in operation there will have to be some help granted. What position does the Senator take on that question?

Mr. TRAMMELL. I think they will have to have considerable help if they keep on building ships which are not needed and are not required for maintenance of the merchant marine, but help to drive existing merchant-marine facilities out of business. Of course, that is a matter of decision for the Shipping Board in regard to the financing.

Mr. LONG. I am taking an absolutely disinterested view. The seatrain runs through my town; that is, it loads and unloads principally in New Orleans. I am taking no view at all. Ought we to continue, if necessary to keep up the merchant marine, to subsidize it? Is it necessary? If it is, I think we ought to try to keep the merchant marine. If it is not, then I am in favor of abolishing it.

Mr. TRAMMELL. I think at the time of the enactment of the subsidy provision of the law that it was necessary to encourage our merchant marine, and, of course, where we have legal, binding contracts, free of any fraud, it is the duty of the Government to maintain such contracts. I feel that way about it.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to his colleague?

Mr. TRAMMELL. I yield.

Mr. FLETCHER. May I suggest, relative to the inquiry of the Senator from Louisiana, that I am cordially in favor of continuing the Government mail contracts as a benefit to the American merchant marine. There is a necessity for doing that; but that is a different question from this. The question here is as to a specific contract, not affecting the general policy. I am for the law and policy as they stand; but where an agency of the Government is given power to enter into contracts there may be instances in the case of a particular contract where a mistake has been made and where the contract itself is seriously objectionable, without affecting the general policy and principle of ocean mail contracts.

Mr. LONG. I do not know but that this particular subsidy is doing as much harm as it is doing good. The Seatrain subsidy is doing this much harm: We have built considerable port facilities that are used for carrying on commerce. The Seatrain Co. just runs freight cars from the rails on the docks to the rails on the ships; and no benefit is derived from the subsidy that is paid by the Government.

Mr. TRAMMELL. Mr. President, I think it was a very serious mistake on the part of the Shipping Board and on the part of the Postmaster General to enter into the contract

originally, and that it was in contravention, at least, of the spirit of the law which authorizes the Shipping Board to assist in financing the construction of ships. It was certainly a violation of the spirit of the law, and now it would be doubly so for the Postmaster General to extend and enlarge that subsidy to a coastwise operation, which comprises about 80 per cent of the activities of the Seatrain Co.

Mr. LONG. We might just as well subsidize the passenger traffic.

Mr. TRAMMELL. We might just as well grant a subsidy to all ships which operate from New Orleans up the east coast to New York and which make Habana a port of call.

Ever since I was a boy in Florida I can recall that ships have been operating from New Orleans to New York by Florida ports and by Habana, making that a trade route. That is all the Seatrain ships are doing; primarily they are engaged in a coastal business, and they merely make Habana a port of call, Habana being some ninety-odd miles from the Florida coast.

The question plainly confronts this branch of Congress as to whether or not it is going on record in favor of permitting the Postmaster General to change the terms of that contract in such a way as will be violative of the spirit of the Shipping Board act and the merchant marine act, and violative of the spirit if not the letter—and I rather think the letter—of the law authorizing the Postmaster General to pay subsidies.

Mr. WALSH of Massachusetts. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Massachusetts?

Mr. TRAMMELL. I yield.

Mr. WALSH of Massachusetts. I understand the Senator from Florida to be in favor of the House provision?

Mr. TRAMMELL. I am in favor of the action of the House of Representatives whereby a proviso was inserted to the effect that no part of the appropriation should be used for the purpose of paying the Seatrain contract.

Mr. WALSH of Massachusetts. In other words, the Senator is opposed to the Senate committee amendment striking out the House provision?

Mr. TRAMMELL. That is my position, yes; I am opposed to that.

Mr. WALSH of Massachusetts. May I inquire if the House provision is a new provision in Post Office appropriation bills?

Mr. TRAMMELL. No; it is not a new one. The House inserted a similar provision last year.

Mr. WALSH of Massachusetts. How long has this provision been in the appropriation bill?

Mr. TRAMMELL. Last year was the first time, because the controversy did not arise until last year. What moved the House to its action last year was the manner in which the contract was made and the manipulations and scheming which clearly, from the evidence in the case, were carried on by the Post Office Department and the Shipping Board in connection with the initial steps in providing a subsidy, and so on.

Mr. WALSH of Massachusetts. The Senator from Maine [Mr. WHITE] tells me that this provision was in the House bill last year.

Mr. TRAMMELL. It was; that is what I say.

Mr. WALSH of Massachusetts. But that it was stricken out in the Senate, and in conference was eliminated from the bill as it was finally enacted. Is that true?

Mr. TRAMMELL. That is true; and I think, of course, the Senate made a mistake at that time. However, the view of the majority of the Senate was otherwise. But now we have a different situation.

Mr. WALSH of Massachusetts. Will the Senator state concisely and briefly just what change will be made in the mail contract of the Post Office Department if this proviso shall be eliminated from the bill?

Mr. FLETCHER. None.

Mr. TRAMMELL. I do not know. We can not tell. It has been stated here that the Postmaster General has agreed or will agree to a modification of the contract with

the company. They themselves admit they are not entitled to any pay unless they can get a modification of the contract. They admit that by their own petition to the Postmaster General.

Mr. WALSH of Massachusetts. In other words, this provision is inserted in the bill in order to prevent the Postmaster General from making a contract with the Seatrain Co.?

Mr. TRAMMELL. It is to prevent him from modifying an existing contract.

Mr. WALSH of Massachusetts. With the Seatrain Co.?

Mr. TRAMMELL. Certainly, to modify the contract originally entered into for carrying the mail from New Orleans to Habana, Cuba. Now the company asks permission of the Shipping Board to let their ships sail from New Orleans via Habana to New York, admitting that they are engaged largely in the coastal business, and they ask the Shipping Board to permit that to be done.

Mr. WALSH of Massachusetts. What additional expense would be involved if such a mail contract were entered into as is contemplated and as the Postmaster General favors?

Mr. TRAMMELL. There would not be any additional expense involved; probably they would not get any more of a subsidy than they would for carrying the mail just to Cuba; but such a modification would be violative of the spirit of the law, violative of the policy of the Congress in the enactment of the merchant marine act and in providing that subsidies may be paid by the Postmaster General.

Mr. WALSH of Massachusetts. What effect would entering into this contract by the Postmaster General have upon the efficient transportation of the mail?

Mr. TRAMMELL. It would not add anything to the facilities by increasing the speed of the mail or otherwise, or be of any benefit whatever to the Government in the handling of the mail.

Mr. WALSH of Massachusetts. Would it tend to deteriorate or injure the expeditious transportation of the mail?

Mr. TRAMMELL. I think that it would be detrimental, in that it would subsidize ships on trade routes where there are now ample vessels, some of the best we have on the coast, and where ample service is afforded. It would not increase or enlarge the service.

Mr. WALSH of Massachusetts. Would this proviso, if adopted, lessen the amount of money the Government would have to pay out of the Federal Treasury for transporting this mail?

Mr. TRAMMELL. If this proviso were adopted, we would not have to pay anything; it would save the Government the amount now paid, unless the contract were modified or changed.

Mr. WALSH of Massachusetts. Under a new contract that might be entered into by the Postmaster General, would the amount be less?

Mr. TRAMMELL. I do not know whether it would be less than on the route from New Orleans to Habana or not. It probably would be somewhat less.

Mr. WALSH of Massachusetts. If the Senator will permit me to interrupt him further, I have not had an opportunity to hear the full discussion of this important amendment, and that is why I have made these inquiries. I infer from what the Senator says that so far as increasing or decreasing the appropriation of funds from the public Treasury there is no question involved, and that his objection is based entirely upon the fact that this proposed contract would be a violation of what he describes as the policy of the shipping laws of the country.

Mr. TRAMMELL. It would be violative of the policy of the shipping laws and of the post-office subsidy, and would not be in keeping with the intention of Congress; but, in effect, it would be in contravention of the intention of Congress. The purpose of Congress was to try to build up the American merchant marine.

Mr. WALSH of Massachusetts. The Senator says it would be a departure from our established policy dealing with sea-mail contracts? Is that true?

Mr. TRAMMELL. It would be absolutely a departure from it; and I myself do not feel that the Congress should go on record approving any such perversion of the law.

Mr. WALSH of Massachusetts. I confess that it is difficult for me to determine what loss or benefit is involved in the acceptance or rejection of this amendment.

Mr. TRAMMELL. So far as the purpose of the law is concerned, it is just contrary to the spirit of the law in the first instance. We are not now presenting the argument along the lines we did previously on the ground of fraud in the original contract. The whole contract, from its very inception, was carried on in the height of favoritism, the height of discrimination, and with no regard whatever for the question of building up the merchant marine or the United States mail service.

The record will disclose that upon that basis we opposed the contract from its inception. Now, however, we are opposing it upon the question of the old contract not being performed and the contractors asking for a modification. This question presents itself squarely to the Congress: Is the Congress going to agree to a modification under these circumstances? We think that to modify the contract in the way they wish it to be modified would be all wrong under the spirit of the law, so far as the merchant marine act is concerned.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to his colleague?

Mr. TRAMMELL. I yield.

Mr. FLETCHER. Mr. President, the Senator from Massachusetts seemed to ask a direct question about the effect on the Treasury. If the House provision should stand, the Treasury would not have to pay out \$120,400 a year to the Seatrain Co., whereas if the Senate amendment prevails and we disagree to the House amendment, then the Government will have to make that payment.

Mr. WALSH of Massachusetts. That is very important.

Mr. WHITE. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Maine?

Mr. TRAMMELL. I yield for a question.

Mr. WHITE. Is it not a fact that, if the contract between the Government and the Seatrain Co. is a subsisting, legal contract, the Government will have to pay whether this appropriation shall be provided or not? If we strike the appropriation out, and a contractual obligation—assuming that there is a legal contract—continues, then at some time the Government will have to meet its obligation.

The real question at issue here is whether the Congress is going to pass upon the legality of contracts entered into by competent authority, or whether it is going to leave that determination to the proper legal and accounting officers of the Government. That is the real issue here.

Mr. TRAMMELL. Mr. President, the Senator would surrender much more of the prerogatives and the duties of a Senator to some of the department heads than I would surrender. If I see that a department in the administration of a law, commendable and wholesome in its purpose, acting in such a way as to violate the purpose and object and the spirit of the law, I think it is the duty of Congress to correct them instead of encouraging them in that character of administration.

If we give too much latitude to, and permit too much laxity on the part of, those administering law, they go ahead, and we get results contrary to those that were contemplated and intended under the original law.

Here is an instance where I feel that it is proper for the Senate, as the House has done, to assert itself, and put those in authority on notice that the intention and the purpose of law means something, and that the enactment is not for their own manipulation just as they see fit to administer it in favoritism, in discrimination, and in total disregard for the interests of the American merchant marine in this instance and of the Postal Service of this country.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Florida permit me to ask the Senator from Maine a question?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Massachusetts?

Mr. TRAMMELL. I do.

Mr. WALSH of Massachusetts. I thank the Senator. May I inquire from the Senator from Maine whether the Postmaster General has made a contract such as is described in this proviso?

Mr. WHITE. Oh, yes.

Mr. WALSH of Massachusetts. And is it in force now?

Mr. WHITE. This contract No. 56 was entered into; and the very purpose of this amendment put into the bill by the House was to avoid the effect of that contract.

Mr. WALSH of Massachusetts. How can we avoid the effect of it after it has been entered into? I can understand that we would have power to take action here to prevent the renewal of a contract; but how can we, by legislative act, cancel a contract that the Government has entered into, without subjecting ourselves to damages?

Mr. WHITE. Mr. President, if the Senator will yield further, that is precisely the point. If this was a legal contract at the time it was entered into—and it has something like eight years more to run—we can not, by withholding in a particular year an appropriation designed to meet the payments called for by that contract, avoid the obligations under that contract; but, ultimately, we must meet them.

The real question at issue is whether this is or is not a legal contract, and the Senate is asked to pass upon that question—that is the real effect of what we are asked to do—and to take from the legal department of the Government and from the Comptroller General's office the authority which the law imposes upon them to pass upon the legality of contracts, and the appropriateness and propriety of payments under them.

Mr. WALSH of Massachusetts. I thank the Senator. In other words, what we are proposing to do here is to cancel a contract made and entered into by the Post Office Department and in force at the present time?

Mr. WHITE. To cancel a particular payment called for under that contract.

Mr. WALSH of Massachusetts. That is the same thing as canceling the contract.

Mr. WHITE. Yes.

Mr. TRAMMELL. Mr. President, I differ from that attitude. It is not a matter of canceling a contract. The Seatrain Co. have forfeited their rights under the contract. They have confessed that by going to the Postmaster General and asking for a modification. They have confessed that by going to the Shipping Board and asking for a modification. So it is not a matter of the Government canceling the contract; it is a matter of the Government, through Congress, saying: "We do not think it is advisable under the law that you permit this modification, even if you have a right to do it."

Certainly that is within the prerogative of Congress, and a legislative question, when we are called upon to make an appropriation to meet a certain condition. These people are not entitled to one dollar, according to their own petition—in substance, that is what it means—unless the Postmaster General attempts to modify the contract.

Senators talk about the sanctity of a contract on the part of the Government. I believe in keeping Government contracts; but those arguing in behalf of this company have not said one word about the agreement of the company with the Shipping Board which provided that they would not ask for their subsidy on the mail contract if the Shipping Board permitted them to modify their original route and run from New Orleans via Habana to New York.

Somebody has intimated that there was some coercion about that. No coercion whatever has been established. It is absurd and ridiculous to talk about coercion. These people were in a very desperate plight. They were in a situation where disaster was hanging over them. They either had

to have their ships idle, engaged in unprofitable trade, or else they had to get some modification through the Shipping Board that would permit them to operate on to New York and establish a business which, according to their own statement, is 80 per cent coastwise trade. So they go to the Shipping Board, asking them to modify the contract; and I will say that the Shipping Board are to be commended for their action. They say, "If you are going to divert your route, if you are going to change the situation completely, if you are going to enter into competition with all these ships that we have engaged in the coastal trade, many of which have to be tied up to the docks at the present time, we are not going to permit that change unless you will agree to let your subsidy go. You obtained that subsidy upon the basis of the idea that you would operate from New Orleans to Habana, a foreign port. You are carrying on a foreign mail service. You did not intimate to us that you wanted to operate 80 per cent in the coastal trade. Your presentation of this case to us was that you wanted to engage in foreign trade. Therefore, if you are going to change the whole situation, the whole character of your enterprise and your operations, you must not ask a continuation of this Government subsidy through the mail service."

I imagine at that time they were very willing to say, "Oh, we surrender that. We expect to surrender that, because if we do not get some change here we have no business whatever in which we can engage." It was absolutely unprofitable to run from New Orleans to Habana, so they readily surrendered their right to the mail subsidy. I do not think they were coerced at all. Yet there are some who want to go ahead and pay them for it when they surrendered it in their own agreement and under the resolution of the Shipping Board, because, forsooth, for some reason it appears possible now that they can get the Postmaster General to agree to this modification, although in December the First Assistant Postmaster General stated to the House that he did not think they were entitled to it.

I should like to have Senators say what they think of the statement of the Assistant Postmaster General, who has largely been in charge of this matter, when he stated to the House committee that he did not think the Seatrain Co. were entitled to the pay; he did not think they were entitled to a modification of the contract; he did not think the Postmaster General would agree to a modification. That was the position of the First Assistant Postmaster General before the House committee in December.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New York?

Mr. TRAMMELL. I yield.

Mr. COPELAND. Assuming that the Senator is entirely right, and that that was the attitude of the Assistant Postmaster General, in spite of that, on January 11 the Postmaster General wrote to the Seatrain Co., as follows:

In view of the premises and considerations stated in your letter, it would, in my opinion, be in the interest of the Government to accept your proposal, and I hereby agree to the modification of the contract on ocean mail route No. 56 accordingly.

So, regardless of what the Assistant Postmaster General said in December, or whenever it was, on the 11th of this month the Postmaster General entered into an agreement to modify the contract.

Mr. TRAMMELL. Mr. President, my position is that those who come into courts of equity should come with clean hands. We hope there is some equity left in the Senate. If these people have obtained any such modification as that, then they went before the Shipping Board and by deception and by fraud, in substance, persuaded the Shipping Board to agree to a modification of their contract upon the specific promise that they would not ask for a continuation of the subsidy. I stand by the Shipping Board. They have two contracts. I stand by the contract which they made with the Shipping Board and not an act of favoritism and the height of discrimination by the Postmaster General, against the policy of the law.

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New York?

Mr. TRAMMELL. I do. I hope, however, that the Senator will not make a speech in my time. I shall be through in a few minutes, and then the Senator can take the floor. If he desires to ask a question, however, I yield to the Senator.

Mr. COPELAND. I do not want to make a speech, but I want the Senator to be accurate. I ask him if he knows that the Shipping Board, by a resolution, has authorized the Seatrain Lines to carry coastwise trade between the ports of New York and New Orleans by way of the new Seatrain vessels for a period of six months from October 6?

Mr. TRAMMELL. Why, certainly. They authorized it upon the representation to the Shipping Board and upon the agreement by the company that the company would surrender the mail subsidy and not ask for a continuation of it. They obtained that authorization upon a false representation or false pretenses then, if they are going to be permitted to draw pay for it now during that time. That is what the Shipping Board states. The letter was placed in the RECORD this morning by my colleague [Mr. FLETCHER].

I had not intended to make any reference to the early history of this Seatrain contract; but in view of the fact that some Senators seem so persistent now in their contention that we should not preserve the policy of the law, that we should not refuse to fall in line and march step and step with an administrative officer who is violating the spirit, if not the letter, of the law, I desire just briefly to say that this entire contract from its very inception was exceedingly suspicious, to say the least.

It has been said here before, but I may repeat it, that a certain company decided that they would obtain a subsidy and obtain some money from the Shipping Board. They went before the Shipping Board with a peculiar type of vessel and asked for loans, asked for a subsidy; and the advertisements for bids prescribed specifications that no one else could comply with within the time that was fixed. It was an absolute absurdity and a farce even to have advertised at all, and I am sure they would not have advertised had not the law required it, for three weeks. For three weeks they advertised under the law that they wanted bids on a ship that would carry 90 railroad cars, and certain other specifications. In this country there never had been a ship of that type before, or rather of that capacity. They probably got the idea from boats of that type that were operating between Key West, Fla., and Habana, Cuba, but the specifications in this case called for a ship of 90 railroad-car capacity and certain other specifications. Other people who were interested were unable to get any information whatever as to what was going on. Then they come out all at once, on a bright, sunshiny day, with specifications saying, "We invite bids on a ship that will carry 90 railroad cars," and certain other specifications.

They knew the whole stage had been set for the contract to be given to this company, for the subsidy, and for them to obtain a loan from the Shipping Board.

Mr. BROUSSARD. Mr. President, will the Senator yield to me?

Mr. TRAMMELL. I yield.

Mr. BROUSSARD. Is it not a fact that they extended the time one full year so as to give a chance to the Florida company to decide whether or not they would bid?

Mr. TRAMMELL. The Senator is wrong on the record entirely. There were delays, because this company was trying to keep other people out of the field by having them denied the right of entering New Orleans. They were trying to keep them out of the field by filing an application before the Interstate Commerce Commission for this company. Then there was considerable other delay, because the Navy Department and the Shipping Board did not work quite as freely in the transaction as did the Post Office Department from the beginning. The Navy Department first disapproved the contract, would not give the approval that was required under the law. Then of all the logrolling and

manipulation! Talk about force and coercion; they were used on the Navy Department to get an approval finally of a modified and changed character of vessel. Then they gave their approval reluctantly, half-hearted approval, as far as the vessel's availability or value as a naval ship was concerned, and as to being of any value in time of war was concerned.

Mr. BROUSSARD. Mr. President, will the Senator yield again?

Mr. TRAMMELL. Wait a moment. There were other delays, because the committee which had the jurisdiction of passing upon the proposition at the Shipping Board, and the Shipping Board itself, first disapproved of it. There was no approval of this transaction except in the Post Office Department to begin with. We never heard of such logrolling and manipulating, such star-chamber sessions, and such keeping of what was going on from other probable competitors. They did not want any other competitors. They wanted to drive everybody else out of the business, and give the contract to the company which finally got it.

Mr. BROUSSARD. Mr. President, will the Senator yield now?

Mr. TRAMMELL. I yield; yes

Mr. BROUSSARD. Is it not a fact that the Florida company applied to the Interstate Commerce Commission for the right to run their boats to New Orleans, that the Postmaster General extended the time for the bidding one full year, and that it was awarded to the Seatrain Co., not for old ships, but for new ships, to be constructed under the law which the senior Senator from Florida, as chairman of the Committee on Commerce, wrote into the United States statutes. Had not a whole year's delay been granted, when they were not proposing to build the ships which the Seatrain Co. built, two of them?

Mr. TRAMMELL. They did not delay on account of giving anybody an opportunity to bid. The attitude was the reverse, one of a closed door against other bidders and competitors. They delayed on account of this matter not being approved by authorities required to approve it, to begin with.

If they had wanted to give the competitors an opportunity, why did they not let the competitors know in time as to the specifications? One probable competitor, not for Government subsidy, but for the privilege of using the route, being willing to undertake it without a Government subsidy, in the nature of a mail subsidy, or in the nature of a loan from the Shipping Board, was trying to keep up with the situation, trying to ascertain what was going on, and they could not get information. The desire was that they should not have information as to what was going on.

Mr. BROUSSARD. Mr. President, is it not a fact that the mail subsidies are not granted to ships already built, but to ships that are to be built with the approval of the Shipping Board, the Navy Department, and the Post Office Department?

Mr. TRAMMELL. That is a fact, and it is also a fact that whenever the law has been so misadministered and so administered as to give a subsidy to ships that were unnecessary, ships that were unnecessary to assist in the building of the American merchant marine, there has been a flagrant violation of the law, the spirit of the law at least.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. TRAMMELL. I yield.

Mr. McKELLAR. I wish to call attention to the fact that no competitor had a chance to bid on these ships.

Mr. TRAMMELL. That is what I said, that no competitor even had notice long enough in advance to enable it to bid.

Mr. McKELLAR. I have before me the advertisement, and it did not permit the contractor to bid unless the contractor proposed to build, and would build, a ship of capacity sufficient to carry 90 cars. The mail amounted to about 1,500 pounds. Two other companies subsidized by our Government are already carrying mails between New Orleans and Habana, and this was a third subsidized company. The

Postmaster General required in his advertisement that the contractor must build a ship capable of carrying not less than 90 cars, and the Seatrain Co. was the only company on the seas that had such a ship or that proposed to build such a ship. Necessarily, the law was violated in doing away with competition, and so, in my judgment, the contract is certainly fraudulent in law, and even worse might be said of it.

Mr. TRAMMELL. It was a flagrant violation of the spirit and purpose of the law, if not a violation of its letter, in my opinion.

Mr. BROUSSARD. Mr. President—

Mr. TRAMMELL. Does the Senator want to ask a question?

Mr. BROUSSARD. I want to ask the Senator from Tennessee a question.

Mr. TRAMMELL. Very well; but I want to get through.

Mr. BROUSSARD. How does the Senator from Tennessee expect to apply the law and build up a merchant marine unless new ships are built? Would the Senator think that the law was intended to give mail contracts and subsidies to ships that already belong under the American flag, or to new ships to be built for service under the American flag?

Mr. McKELLAR. Of course, the Post Office Department has made no rule about that. They give subsidies to ships already built, or subsidies to ships which may be built, if the contractor is "right," if he "stands in."

Mr. BROUSSARD. To ships the Shipping Board sold, yes; but not to other ships of private lines.

Mr. McKELLAR. While I am on my feet, let me call the attention of the Senator from Florida to the fact that the first requisite of the act of 1928, under which this contract was let, was that there should be competition, and competition was absolutely excluded by the advertisement. And let me call attention to the fact that at that time the Seatrain Co. was a British company, with a ship of the kind specified carrying the British flag, when the first application was made, and then an effort was made to favor the particular manager of this company, who in some marvelous way seems to have the whole country at his back. I am referring to Mr. Brush, the president of the old British company, the president of the new American company. He seems to have all the powers-that-be at his back, and can get any kind of a contract, or get any contract changed whenever he desires to do so. He obtained this contract under terms that certainly make it fraudulent in law.

Mr. TRAMMELL. And under terms the average person, without a lot of influence behind him, could not have obtained.

Mr. McKELLAR. No one in the United States could have obtained them except this man, because they did not allow anybody else to bid on the contract.

Mr. TRAMMELL. I do not blame him, but I blame the officials representing the United States Government whose duty it was to see to the carrying out of the spirit of the law, and to the conservation of the rights of the American people, and of other people engaged in this industry. They are entitled to some consideration.

I did not really care to refer to all this first chapter in connection with this transaction, which, to me, seems to have been very one-sided, and a transaction in which sight of the interests of the Government seems to have been entirely lost, and to have been given no consideration whatever.

The matter concerns Congress. The House has said we must not pay any money on account of a modification of this contract. The argument in regard to the contract being legal, when we had the question up a year ago, might have had a little semblance of force and merit in it, dealing with the original contract, but now we have a different situation, we have a situation of the company not having complied with its original contract, and coming and asking the Government for a modification of its contract, a modification which would in every respect violate the spirit and the purpose of the American merchant marine act, and be vio-

lative of the authority for the granting of a subsidy through the Post Office Department.

As far as I am concerned, I think Congress, in both branches, should act as the House did, and approve the proviso that would prohibit the Comptroller General approving of the item of \$140,000 for this purpose.

Mr. BROUSSARD. Mr. President, we had the same proposition to deal with the last time a similar appropriation bill was before us. The amendment then was known as the Davis amendment. I suppose Representative Davis inserted it again in the House.

The amendment is to be found on page 57, line 4, and would strike out the words, "That no part of the money herein appropriated shall be paid on contract No. 56 to the Seatrain Co."

I heard the remarks of the senior Senator from Florida [Mr. FLETCHER], who was the chairman of the Committee on Commerce, I think, at the time when we tried to restore and revive and to give this Nation a merchant marine. Of course, many of us on this side do not like the word "subsidy," but everybody knows that that law was intended to subsidize lines to other nations in the world, and to encompass the entire earth. My friend the senior Senator from Tennessee [Mr. McKELLAR] has been fighting this proposition because he realizes that it is a subsidy, and is very much opposed to it.

Mr. President, so far as the Senators from Florida are concerned, if the company operating the boat from Key West to Habana had gotten this contract, they would be standing here defending the contract. But they did not get it, and they did not get it for several reasons. First, the law provides that one can not get a mail subsidy by offering an old boat which is already built and under the American flag. But the Seatrain Co. offered to build two boats, with a capacity of 90 loaded freight cars, to run from New Orleans to Habana. Their plans were all drawn up, and after being submitted to the Navy Department, it appeared that that department wanted airplane carriers which could be used in case of emergency. They even provided that the pilot house should be put on the left side of the ship, and rearranged the whole structure of the ship.

The Seatrain Co. put in a bid for two ships that would carry 90 loaded freight cars. The Florida company was not excluded. As I recall the hearing—and I attended the hearings for three or four weeks last year, when a provision similar to the one under discussion was before the committee—they applied to the Interstate Commerce Commission to be given the right to go into the city of New Orleans, and to sail from New Orleans to Habana. For some reason this application was not acted upon promptly. I do not know what insinuations the Senators from Florida have to make about it. I never heard of it until the hearings after the contract had been duly executed between the Post Office Department and the Seatrain Co.

Before the contract was awarded, the Postmaster General extended the time for one year, in order to give a chance to any competing company to decide whether or not it was willing to undertake the construction of two boats that would carry 90 loaded freight cars from New Orleans to Habana and back. There was no response. When the contract was executed the Florida company had not yet obtained from the Interstate Commerce Commission, and I doubt if they have it now, a license to enter the port of New Orleans. The contract was executed. No one challenges the contract.

The amendment is intended to strike out the language providing that no part of this money shall be paid on contract No. 56. That is an admission that there is a contract. I do not care what anybody thinks about the contract. We are not sitting here to set aside contracts. We are here to pay whatever amount is stipulated in the contract, and it is up to the courts to set aside any duly executed contract entered into by the Government of the United States.

Mr. President, the two boats have been completed. They were constructed with the money borrowed largely from the Shipping Board and which is due the Shipping Board and,

indirectly, the Treasury of the United States. Now that the boats are built, we find Senators who would deny the annual payment under the contract instead of offering a resolution to direct the Attorney General of the United States to move to declare the contracts illegal and void.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. BROUSSARD. I yield.

Mr. McKELLAR. Will the Senator agree to vote for such a resolution, leaving it to the courts to determine?

Mr. BROUSSARD. I think the contract is valid. I have sat in the committee with the Senator from Tennessee for several years and he thinks that all of the contracts are invalid.

Mr. McKELLAR. Oh, no. I think all of them except five are invalid. I think the courts ought to pass on them. If the Senator is willing for the courts to pass on them, I shall be very glad to vote for a resolution providing that that be done.

Mr. BROUSSARD. How many contracts does the Senator challenge?

Mr. McKELLAR. Thirty-nine.

Mr. BROUSSARD. Did the Senator vote for the bill which permitted the payment of these subsidies?

Mr. McKELLAR. I did not.

Mr. BROUSSARD. The Congress passed the bill, however,

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from New York?

Mr. BROUSSARD. I yield.

Mr. COPELAND. I was quite surprised to have brought up again in the Senate the original contract of the Seatrain Co. We have argued that here year after year and the Senate has always taken the view that it is all right. But now comes the further argument that this is an invasion of the intercoastal rights of our country.

Mr. BROUSSARD. It is no invasion at all. For the Senator's information I ask to have inserted in the RECORD at this point a communication from the Seatrain Co. to the Postmaster General and his acceptance of a modification which would deprive him of any right to claim anything under that contract because of the sailing from Habana to New York. That, I think, will dispose of the suggestion made by the Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

The communication is as follows:

JANUARY 9, 1933.

THE POSTMASTER GENERAL,
Washington, D. C.

SIR: The contract for ocean mail service on route No. 56, made the 31st day of October, 1931, by the United States of America, represented by the Postmaster General and Seatrain Lines (Inc.), provides, *inter alia*, that the latter undertakes, covenants, and agrees with the United States of America, pursuant to the provisions of the merchant marine act, 1928, and the advertisement of the Postmaster General, as follows:

"1. (a) To carry all mails of the United States offered, whatever may be the size or weight thereof, or the increase therein during the term of this contract, in a safe and secure manner, free from wet or other injury, from New Orleans, La., to Habana, Cuba, on a schedule approved by the Postmaster General, that shall include not less than 50 trips per annum during the first two years and not more than 100 trips per annum during the remainder of the contract term (subject to other provisions of this contract for increase or decrease in frequency);

"(g) To provide and operate in the performance of this contract, cargo vessels of class 5, capable of carrying not less than 90 railroad cars and of maintaining a speed of 13 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 6,500 tons;

"(h) To have constructed in American shipyards two (2) new cargo vessels of class 5, capable of carrying not less than ninety (90) railroad cars and of maintaining a speed of fourteen (14) knots at sea in ordinary weather, and of a gross registered tonnage of not less than six thousand five hundred (6,500) tons, and place them in service in lieu of or in addition to vessels specified in paragraph (g) hereof, as soon as practicable, but not later than the end of the second year of the term of this contract.

"6. (a) That the term of this contract shall be ten (10) years, beginning at a date optional with the contractor, but not earlier than January 1, 1932, or later than October 31, 1932."

Seatrains Lines (Inc.) has constructed in an American shipyard in compliance with the terms of said contract two new cargo vessels which have met the requirements referred to in paragraph 1 (h) above. One of said vessels was placed in service from New Orleans to Habana on the 13th day of October, 1932, and the second vessel on the 20th day of October, 1932. Since said dates said vessels have made regular sailings weekly from New Orleans to Habana, and have been and now are ready, able, and willing to perform all of the services required of Seatrain Lines (Inc.) by said mail contract.

Said vessels were constructed with the aid of construction loans under and pursuant to agreements the 3d day of December, 1931, between Seatrain Lines (Inc.) and the United States of America, represented by the United States Shipping Board. Said agreements contained, inter alia, the following provision:

"Sec. 38. The vessel will be operated in maintaining service on lines between New Orleans, La., and Habana, Cuba, and in other exclusive foreign service between Atlantic and/or Gulf ports and Cuba, or in such other service or services as the board may by resolution hereafter authorize, and not otherwise."

The United States Shipping Board, by a resolution adopted October 6, 1932, and subsequently amended by a resolution adopted December 21, 1932, has authorized Seatrain Lines (Inc.) to carry coastwise trade between the ports of New York and New Orleans via Habana in the new Seatrain vessels for a period of six months from October 6.

Said vessels, ever since the adoption of said resolution on October 6, have been and now are engaged in foreign trade between New Orleans and Habana and New York, and vice versa, and at the same time in coastwise trade between New Orleans and New York via Habana, and vice versa. While thus simultaneously carrying foreign trade from New Orleans to Habana and coastwise trade from New Orleans via Habana to New York, said vessels have performed the full mail contract service between New Orleans and Habana and have transported all cargo offered in foreign trade between said ports, all in compliance with said mail-contract and construction-loan agreements.

Inasmuch as the total mail compensation payable under said mail contract will through the performance by said vessels of not less than 50 voyages per annum during the first two years and 100 voyages per annum during the remaining eight years of said contract, being the schedule approved by the Postmaster General pursuant to section 1 (a) of said mail contract, amount to a sum which will be somewhat less than the excess cost of building said vessels in the United States and operating them under the American flag over what would have been the costs of their construction in foreign shipyards and of their operation under foreign flags; and as the mail compensation payable under and pursuant to the provisions of the merchant marine act, 1928, is designed to meet the amount of such differentials in cost so as to place the owner of an American vessel engaged in a foreign trade substantially on a parity with the owner of a similar foreign vessel in such trade as respects capital cost and cost of operation; and as Seatrain Lines (Inc.) is and will be benefited by reason of the authorization of the United States Shipping Board to carry coastwise trade between New Orleans and New York via Habana while fully performing said mail contract and maintaining its full foreign service under and pursuant to said construction-loan agreements; Seatrain Lines (Inc.) does not conceive it to be fair to the United States in the circumstances stated that it, Seatrain Lines (Inc.), should accept and retain the full mail compensation payable under said contract while it is simultaneously carrying foreign and coastwise trade in said vessels on said mail route between New Orleans and Habana.

Now, therefore, in consideration of the premises, Seatrain Lines (Inc.) hereby offers and undertakes, so long as it shall by reason of an authorization of the United States Shipping Board carry coastwise trade between New Orleans and New York via Habana, while performing said mail contract on route No. 56 to relinquish to the United States and to waive all claims to such proportion of the full mail compensation which would be payable under and in accordance with the terms and conditions of said mail contract as the revenue earned on the outward voyages on said route No. 56 by Seatrain Lines (Inc.) with the vessels performing said mail contract from coastwise trade from New Orleans to Habana bears to the total revenue earned as aforesaid on both foreign and coastwise trade from New Orleans to Habana, the revenue from coastwise trade from New Orleans to Habana being taken as such part of the revenue on coastwise trade from New Orleans to New York as the distance from New Orleans to Habana bears to the total distance from New Orleans via Habana to New York.

SEATRIN LINES (INC.),
By GRAHAM M. BRUSH, President.

Witness:

G. S. AMORY.

Attest:

DONALD D. GRAVES,
Assistant Secretary.

JANUARY 11, 1933.

SEATRIN LINES (INC.),
39 Broadway, New York, N. Y.

GENTLEMEN: Receipt is acknowledged of your letter of January 9, 1933, in which you state that, in consideration of the permission granted you by the Shipping Board in its resolutions of October 6

and December 21, 1932, to engage temporarily in coastwise trade between New Orleans and New York by way of Habana, you desire to request a modification of your contract on ocean mail route No. 56, between New Orleans and Habana, so that you shall be paid thereunder, during the period of said coastwise operation between the above-named points, only such proportion of the pay named in the contract as the revenue earned on outward voyages over the mail route from foreign traffic bears to the total revenue earned on such voyages, the revenue from other trade from New Orleans to Habana being taken as such proportion of the revenue on coastwise trade from New Orleans to New York as the distance from New Orleans to Habana bears to the total distance from New Orleans via Habana to New York.

In view of the premises and considerations stated in your letter, it would, in my opinion, be in the interest of the Government to accept your proposal, and I hereby agree to the modification of the contract on ocean mail route No. 56 accordingly.

Very truly yours,

WALTER F. BROWN.

Mr. BROUSSARD. The Senator from Tennessee, as he has just admitted, believes there are only five valid contracts. Of course, he lives away up at Memphis. If he lived on the coast we would have more, I suppose. Some are satisfied that the other 39 contracts are invalid. Therefore, without committing myself, I have subscribed to the subsidy. The Senator from Tennessee has not. The Senators from Florida have done so, and have voted for the bill. I would not promise the Senator from Tennessee to vote for a resolution to refer the matter of the contracts to the Attorney General. I think a resolution should be introduced to have them investigated, if that is his desire. But the contracts are valid. These people have spent more than \$2,000,000 each on the two ships, and they are there for use of the Navy whenever emergency requires.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. BROUSSARD. Certainly.

Mr. McKELLAR. Can the Senator tell us whether or not they are in arrears in their payments to the Government on account of this contract?

Mr. BROUSSARD. I do not know. I am sure the Senator knows.

Mr. McKELLAR. I am told that the payments on practically all of the vessels for which money was borrowed at such remarkable rates of interest—one-fourth of 1 per cent, three-eighths of 1 per cent, one-half of 1 per cent, and other per cents which the favored companies were required to pay—are all in arrears, even with that small rate of interest. It seems to me they are in no position to come here and ask for favors.

Mr. BROUSSARD. I am not surprised that they are in arrears with the attacks made upon their contracts by men on the floor of the United States Senate who are desirous that we delegate the power to the Shipping Board and the Postmaster General to do these things. If we abrogate the law, I do not find it strange that they can not meet even the one-eighth of 1 per cent interest. That is my complaint about those who are seeking all the time to abrogate the contracts. Why not abrogate the law?

Mr. McKELLAR. If the Senator will vote for it—

Mr. BROUSSARD. No; I will not vote for it. Why does not the Senator abrogate the law?

Mr. McKELLAR. Because a majority of the Senate will not do it. That is one reason.

Mr. BROUSSARD. That is the way the Senator attacks their integrity and their credit by his annual assault upon these appropriations. That is not anything singular. The Senator will remember that I made an assault against the Philippine independence bill, when this body would not vote for it, by asking that a tax be applied. I did not want a tax, but I thought I would bring about some result. I did that in 1929.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from New York?

Mr. BROUSSARD. I yield.

Mr. COPELAND. I do not like to let pass unchallenged the statement the Senator from Tennessee made about the standing of these various shipping lines with the Govern-

ment. The Shipping Board advises me that on December 31, 1932, the total cost of new ships built or reconditioned, receiving aid of construction loans, had reached the total of \$210,000,000. That is, these private lines have expended with the aid of the Government \$210,000,000. The total of loans outstanding at this time amounts to \$123,000,000. In other words, the shipowners themselves have already paid in cash upon the cost of these ships more than 41 per cent. If they are given encouragement a little while longer, it will not be long before their equity is even greater than ours.

To my mind it would be a great mistake to let the country get the impression that we are giving this money to the shipowners. As a matter of fact, they have of their own money, as I have indicated, about \$80,000,000 which they have invested, and from time to time they are making their payments. In addition, we have chosen to encourage the shipowners by reason of the fact that it costs more to build in our shipyards than it does abroad.

Mr. BROUSSARD. Yes; 50 per cent more.

Mr. COPELAND. It costs more to operate under our shipping laws than under foreign laws. We have chosen to assist our American merchant marine by these mail subventions. Here is one which was entered into in good faith. It has been modified in good faith. The Comptroller General refused to pass upon it and to make the payment a few months ago, but after adjustments and readjustments had been made and provision was made for a material saving in the annual outlay of the Government, the Postmaster General then entered into a new contract, a legal contract. I agree fully with the Senator from Louisiana that the Senate should not consider the thought of abrogating a solemn contract of the Government. It is unthinkable, as I see it.

Mr. BROUSSARD. I recall, and the Senator from New York will recall, that when we sat in the hearings there appeared the president of a shipping company which was asked to run a line of steamships to West Africa. The Senator from Tennessee asked how much mail he carried. He said, "I do not carry a hatful down to the African ports that I visit." The Senator from Tennessee thought that was a fine illustration of the basis for his opposition to mail contracts. That steamship line would not have been established, nor would the Shipping Board have been able to sell these ships unless it gave a subvention to carry mail. The Senator from Tennessee asked if he had not had one of these canceled and he said, "Yes. I forgot to write myself a letter, and there was no letter at that port, and therefore the Post Office Department canceled that port."

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BROUSSARD. I yield.

Mr. McKELLAR. I understand the one about which the Senator speaks, who bought the Government ships and are carrying Government mail with this subsidy, have not even paid a single solitary installment on their ship. They got it on 20 yearly installments. They bought the ship for about one-tenth of what it cost and paid one-twentieth of the price, and since that time have not paid anything, but are getting the Government subsidy every month for the benefit of their stockholders.

Mr. BROUSSARD. Would we have such a line if we had not given them such a subsidy?

Mr. McKELLAR. I do not think it helps our foreign trade in the slightest. Indeed, it has been suggested on the floor of the Senate that the only purpose and the only reason why the line is running is to draw the subsidy. They do not have enough business to justify the operation of the line, and the only purpose in running it is to draw the Government subsidy.

Mr. BROUSSARD. How were we fixed during the World War?

Mr. McKELLAR. That is 14 years ago and we need not bother about that now. We have not one-third of the shipping we had when this act went into effect. Our merchant marine is going down annually since we have adopted the plan of granting these subsidies.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from New York?

Mr. BROUSSARD. Certainly.

Mr. COPELAND. I want to invite the attention of the Senator from Tennessee to this fact. This is said in response to what he said about the West African Line. Is that the line?

Mr. McKELLAR. I believe that is the name of it.

Mr. COPELAND. I think that was the American-West African Line.

Mr. McKELLAR. It is the Herbermann Line, a prime favorite of the Shipping Board, its special pet, its special subsidy obtainer at large.

Mr. COPELAND. That is the American Export Line, I think.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BROUSSARD. I think I hold the floor.

Mr. McKELLAR. I beg the Senator's pardon.

Mr. COPELAND. Mr. President—

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield, and, if so, to whom?

Mr. BROUSSARD. I yield first to the Senator from New York.

Mr. COPELAND. Mr. President, I wish to call the attention of the Senator from Tennessee to the fact that after the war when we found ourselves in possession of an enormous amount of shipping, we established various lines and operated them, and we did so with an operating deficit of from \$40,000,000 to \$50,000,000 a year. The Senator remembers the enormous appropriations we made. We determined under the Jones-White Act to get rid of these ships as fast as possible, to get them into private hands and let private citizens lose all this money; and now, instead of losing \$40,000,000 or \$50,000,000 a year, through mail subventions, in payment for services as well as to help the lines, we pay about \$18,000,000 a year.

Mr. McKELLAR. Mr. President, we pay in subsidies to ocean-going vessels \$28,500,000 a year. That is just what we pay to them. I have forgotten the exact number of millions we pay for the Shipping Board; but, as a matter of fact, we are paying out just as much in subsidies and in appropriations for the Shipping Board as we did in "the good old days" when we were losing \$50,000,000 a year, and we are not getting anything like the service.

Mr. BROUSSARD. Of course, the service is not worth anything at all.

Mr. McKELLAR. I say we are not getting the service because we have not now as large a merchant marine in private hands by one-third as we had at that time.

Mr. COPELAND. If the Senator from Louisiana will permit me further, I know that my friend from Tennessee wants to be entirely accurate.

Mr. McKELLAR. I do; and if the Senator can give me facts showing that I have, in the slightest degree even, enlarged upon the figures, I shall be glad to take my statement back.

Mr. COPELAND. I have not imagination enough on my part to follow the Senator when he says that we are now paying in subsidies as much as we paid "in the good old days," as the Senator puts it, when we were operating the lines.

Mr. McKELLAR. We are paying \$28,500,000.

Mr. COPELAND. I challenge those figures.

Mr. McKELLAR. If the Senator challenges them, then I can not read, because that is what is appropriated in this bill.

Mr. COPELAND. We are now paying for mail aid \$18,000,000 a year to 44 lines, whereas we were operating 38 lines "in the good old days," at a deficit of from \$40,000,000 to \$50,000,000 a year.

Mr. McKELLAR. Mr. President, if the Senator from Louisiana will yield for a moment longer to allow me to

answer the Senator from New York, let me say that of course I may not be able to read, I sometimes wonder whether I am or not; but I am going to attempt to read from this bill the item at the bottom of page 56, as follows:

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the merchant marine act of 1928 (U. S. C., title 46, secs. 861-889; Supp. V, title 46, secs. 886-891x), \$35,500,000: *Provided*, That not to exceed \$7,000,000 of this sum may be expended for carrying foreign mail by aircraft under contracts which will not create obligations for the fiscal year 1935 in excess of \$7,000,000.

Seven from fifteen leaves eight, as I remember my arithmetic. So, \$7,000,000 deducted from \$35,500,000 leaves \$28,500,000 appropriated for the shipping companies by this bill. The Senator may explain that if he can.

Mr. COPELAND. If the Senator from Louisiana will permit me, let me ask, Do we pay any money to any foreign ships to carry our mail?

Mr. McKELLAR. The Senator has asked a very pertinent question, and I shall be delighted to answer it. A number of these ships, notably those of the International Mercantile Marine, are owned, in large part, or controlled in large part, by foreigners, and that particular company, drawing, as I remember, something like \$1,200,000 a year from our Government, is under contract with the British Government to turn its ships over to Great Britain in the event Great Britain should become involved in war, and that includes war with the United States. Yet this Government is furnishing the subsidy indicated to that very company.

Mr. WHITE. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Maine?

Mr. BROUSSARD. I yield.

Mr. WHITE. Mr. President, it is rather difficult to know where to begin correcting the Senator from Tennessee in his statement of facts. He referred to the American-West African line. That is not the Herbermann Line. The Herbermann Line is the American Export Line, running to the Mediterranean area. The truth about the American-West African Line is that it—

Mr. McKELLAR. Does not Africa border on the Mediterranean? If it does not, I have lost all remembrance of my geography.

Mr. WHITE. Yes; it does; but that is not this line. The American-West African Line runs down toward the Cape of Good Hope. That line purchased ships of the Shipping Board and paid, or obligated itself to pay, \$2,300,000 for those ships.

Mr. McKELLAR. What did they cost?

Mr. WHITE. I do not know what they cost. The line obligated itself under its contract to build new ships or to recondition old ships at an estimated expense of about \$4,800,000, and that is a subsisting obligation.

Speaking of West Africa and of our trade there, back in those "good old days" there was not a single American ship going from the coast of the United States to Africa. Since 1927 there have been approximately 20 American ships operating in the service of that trade, and the trade of the United States, export and import, has increased approximately 325 per cent in that span of time.

If I am not trespassing unduly on the Senator from Louisiana, let me advert to what has been said about the expense of the merchant-marine legislation in comparison with the expenditures "in the good old days." I can illustrate the difference by citing figures as to the money that has been spent in various ways. In 1931 we paid, under our postal contracts, \$18,818,000. The mail, if carried on a poundage rate under the provisions of the old law, would have cost something like \$2,710,000. I am speaking from recollection, and there may be some inaccuracy, but what I am saying is substantially correct. In other words, in one year, 1931, the cost under our postal contracts was \$16,108,000.

Go back to the period from 1921 to 1926—and 1926 was the last full year before serious consideration was begun of the merchant-marine legislation—and it will be found that the operating losses of the Fleet Corporation and the administrative expenses of the Shipping Board averaged \$40,400,000 a year. In the year 1931, to which I have alluded, those operating losses and those administrative expenses had been cut to \$6,900,000, a saving of approximately \$33,500,000; and that is a saving of more than twice what the merchant-marine legislation cost us in the year 1931.

I could go on illustrating the point in various other ways if I were not trespassing on the time of the Senator from Louisiana.

Mr. BROUSSARD. Mr. President, I do not care to retain the floor longer. This matter has been threshed out on the floor. We had, as I recall, over three weeks of hearings in the Appropriations Committee last year and came to the conclusion that we should reinstate the item stricken out by the House that is known as the Davis amendment. I hope the Senate will now refuse to join the House; that it will stand with the committee upon this proposition and eliminate the provision inserted by the House.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

CHAIN STORES—REPORT OF FEDERAL TRADE COMMISSION

Mr. CAPPER. Mr. President, I hold in my hand the announcement made recently by the Federal Trade Commission of the transmittal of the ninth in the series of its reports under Senate Resolution 224.

The facts disclosed in this latest report in the chain-store inquiry are indicated by the captions of the commission's official announcements, which read:

Trade Commission studies short weights and overweights in chain stores. Latest report shows one-half of items bought in stores of four selected cities as lacking in weight.

This report provides conclusive proof of the methods by which the great chain organizations rob the unsuspecting public to recoup their price lure losses on popular, well-known articles.

The Senator from New York [Mr. COPELAND], the Senator from Iowa [Mr. BROOKHART], and I have called attention to evidence of the practice of those corporations in mulcting the consumer by extortionate prices on what they call "blind" or unidentifiable bulk goods. This report shows that they not only "long price" the buyer but also that they "short weight" him. This is the evil which we are seeking to eliminate by Senate bill 97, which is known as the fair trade bill and which I earnestly ask every Senator to consider in connection with this report from the commission.

I send to the desk and ask to have printed in the RECORD the commission's announcement and letter of transmittal to the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

FEDERAL TRADE COMMISSION,
Washington.

TRADE COMMISSION STUDIES SHORT WEIGHTS AND OVERWEIGHTS IN CHAIN STORES—LATEST REPORT SHOWS ONE-HALF OF ITEMS BOUGHT IN STORES OF FOUR SELECTED CITIES AS LACKING IN WEIGHT

(This is a summary of the ninth of a series of reports on chain-store practices. The complete report is to be printed.)

The Federal Trade Commission sends to the Senate to-day its latest report on chain-store practices showing, among other things, that out of all purchases of a selected list of commodities made especially for this investigation in chain stores in four widely separated cities, about one-half or 50.3 per cent of the items were short in weight.

The report is entitled "Short Weighing and Overweighing in Chain and Independent Grocery Stores."

On all purchases made for the commission from independent and cooperative chain-store retailers in the four cities, the short-weight items amounted to slightly less than half, or 47.8 per cent.

Overweights were obtained on only 34.1 per cent of the total purchases from chain stores as compared with 43.8 per cent of

the purchases from independent and cooperative chains combined.

Total net shortage (difference between total quantities short weight and overweight) on all items purchased from chain stores was slightly more than three-tenths of 1 per cent of the total quantity bought, as compared with a net overage for independents of .143 of 1 per cent. The overages and shortages from cooperatives exactly balanced. Combining the cooperative and independent dealer purchases the result is a net overage of .096 of 1 per cent.

While the size of the shortage for chains may seem insignificant to many, it would amount to 3.41 per cent on the investment in these bulk commodities, figured on the basis of the average stock turn of grocery and meat chains of 10.61 times per annum.

GOODS WEIGHED IN ADVANCE ARE OFTEN SHORT IN WEIGHT

The buyer of merchandise which is weighed and packaged in advance of sale stands about two chances out of three that he will get short weights from either the independent dealer or the cooperative chain and only a slightly better chance in the chain store.

A total of 795 items, or 12 per cent of the total purchases made for this report in the four cities, were preweighed and almost two-thirds of these were obtained from chain stores.

"As has been often alleged, short weights occurred more frequently on these preweighed items than on items weighed at the time of sale."

For the chains, the proportion of preweighed items which were short in weight was 59 per cent as compared with 50.3 per cent on both preweighed and other items.

For independents and cooperatives combined the difference was much more striking. The proportion of shortages on preweighed items was 65 per cent as against only 47.8 per cent on the total items purchased from those dealers.

The commission's report is based on the weights given on five bulk commodities bought in chain and independent stores and was undertaken to answer a charge frequently made that chain grocery stores obtain an advantage over independent stores through shortweighing of bulk commodities.

The commodities purchased were navy beans, dried prunes, lima beans, light-weight sweetened crackers, and sugar, the quantities varying from one-half pound to 4 pounds. They were obtained in a total of 1,691 stores situated in 4 cities, each having more than 100,000 population—1 situated in New England, 1 in the Middle Atlantic States, 1 in the South, and 1 in the Middle West.

Full text of the commission's letter of submittal of the report to the Senate is as follows:

LETTER OF SUBMITTAL

FEDERAL TRADE COMMISSION,
Washington, D. C., December 15, 1932.

TO THE SENATE OF THE UNITED STATES:

Under Senate Resolution 224, Seventieth Congress, first session, the commission was directed to make an inquiry into the chain-store system of marketing and distribution, including, among other things, "the advantages or disadvantages of chain-store distribution in comparison with those of other types of distribution." This report on short weighing and overweighing in chain and independent grocery stores deals with the subject of weights given on five bulk commodities purchased in chain and independent stores, and was undertaken to answer a charge frequently made that chain grocery stores obtain an advantage over independent stores through short weighing of bulk commodities.

It is often stated that in weighing out bulk commodities exact net weight can not be achieved in a large percentage of cases but that over a long period the shortages and overages will balance each other. Both shortages and overages are likely to occur when clerks weigh out bulk merchandise hurriedly while other customers are waiting to be served, or when the weight of a unit of the article sold is comparatively large.

SCOPE OF INVESTIGATION

To determine the extent to which the chain stores short weight commodities sold in bulk and also to determine whether this practice occurs more often in chain than in independent stores, five bulk articles were purchased for weighing from both kinds of stores without disclosing by whom and for what purpose such purchases were being made. The commodities purchased were navy beans, dried prunes, Lima beans, light-weight sweetened crackers, and sugar. The quantities of the commodities bought varied from one-half pound to 4 pounds.

The purchases were made in four cities, each having a population of over 100,000. To make the study representative the cities selected were located in different sections of the country; one in New England, one in the Middle Atlantic States, one in the South, and one in the Middle West. In each of these cities there were one or more of the six largest chain-store systems and also one or more local chains, as well as one or more cooperative chains with their membership of independent grocers. Practically all stores in the four cities were shopped, hence all types of stores in all types of neighborhoods are represented. In the four cities a total of 1,691 stores was shopped for the five bulk commodities.

Of the total number of stores shopped, 702, or 41.5 per cent, belonged to 11 different grocery or grocery and meat chains; 320, or 18.9 per cent, were independent stores affiliated with 11 cooperative chains; and 669, or 39.6 per cent, were independent stores

without cooperative affiliations. As certain of the 11 chains operated stores in more than one of the four cities, the city comparisons are for 14 groups of chain stores.

PROPORTION OF SHORT, OVER, AND EXACT WEIGHT PURCHASES

On all purchases from chains in the four cities 50.3 per cent of the items were short in weight. On all purchases from independent and cooperative retailers 47.8 per cent were short weight. Overweights were obtained on only 34.1 per cent of the total purchases from chain stores as compared with 43.8 per cent of the purchases from independents and cooperative chains combined. Exact weights, however, were given on 15.6 per cent of the items purchased from chains but on only 8.4 per cent of those bought from cooperatives and independents combined.

AMOUNTS OF TOTAL SHORT OR OVERWEIGHT

The short weights (not including overweights) on total purchases from chains (0.987 of 1 per cent) were substantially below those of independents and cooperative chains combined (1.265 per cent).

However, the total net shortage (the difference between total quantities short weight and overweight) on all items purchased from chain stores was slightly over three-tenths of 1 per cent (0.321 of 1 per cent) of the total quantity bought, as compared with a net average for independents of 0.143 of 1 per cent. The overages and shortages from cooperatives exactly balanced. Combining the cooperative and independent dealer purchases the result is a net overage of 0.096 of 1 per cent.

While the size of the shortage for chains may seem insignificant to many, it would amount to 3.41 per cent on the investment in these bulk commodities, figured on the basis of the average stock turn of grocery and meat chains of 10.61 times per annum.

The turnover of certain other bulk commodities such as fresh meats and produce is probably much higher than the average, and these commodities constitute a substantial proportion of the total business of most chains selling groceries. A shortage of weight of the size found in this test, if it were applicable to all bulk commodities weighed by the chains, would obviously result in an increase in the rate of return on the investment in such commodities, and probably, because of their large volume, on total investment as well.

VARIATIONS IN CHAIN AND INDEPENDENT WEIGHTS BY CITIES

It should not be inferred that all chain stores gave short net weights or that all independent stores gave net overweights. In city No. 1 the chains gave short weights less frequently than either the cooperatives or independents. In the other three cities the former were more frequently short than the latter. In no one of the four cities did the chains give overages more frequently than shortages, although the cooperatives did so in one city, the independents in two, and the cooperatives and independents combined in two.

In city No. 1 the chains had a net overage in the total quantities purchased, but gave net shortages in the other three. The cooperatives likewise gave a net overage in only one city (No. 4) and were short in the other three.

The independents, excluding cooperatives, on the other hand, had a net shortage in total weight purchased in only one city and a net overage in three. Cooperatives and independents combined had net shortages in two cities and net overages in two.

Short weighing was found to be much more prevalent in city No. 2 for every group of distributors than it was in any other city. That city was the only one of the four in which every one of the three groups of distributors had a net shortage. The combined chain distributors in that city, with a net shortage of over 1 per cent (1.044 per cent) and 61.7 per cent of the total items purchased underweight, were responsible for a higher proportion of short-weight purchases and a higher net shortage than any other group of distributors tabulated in any of the four cities.

VARIATIONS IN WEIGHTS BETWEEN CHAINS

The proportion of purchases from the several chains which were short weight exceeded the proportion of purchases which were overweight in all but 2 of the 14 separate chain comparisons. For any chain the lowest proportion of short weights was 38.6 per cent of the total purchases made from it; the highest was 69.5. In most cases, overweights for the chains ranged from 30 to 40 per cent of the total items purchased. Eleven chains, or nearly 80 per cent of them, gave net shortages on the total quantities bought and in two cities, none of the chains had a net overage.

Of the 14 chain groups shopped in the 4 cities, there were only 3 which had net overages, the highest of which was 0.212 of 1 per cent of the total weight purchased. The range of net shortages for the different chain groups was from 0.036 of 1 per cent to 1.730 per cent.

VARIATIONS IN WEIGHTS BETWEEN COOPERATIVE CHAINS

The proportion of short weights given by cooperative chains exceeded the proportion of overweights in 5 of the 8 cooperative groups as compared with 12 out of 14 chain groups. The smallest proportion of short weights given by any cooperative was 37.8 per cent of the total number of items purchased from it, and the largest was 61.5 per cent. The proportion of overweight purchases from the various cooperatives ranged from 32.2 per cent to 53.2 per cent of the total number of purchases. The total quantities bought from each of 5 of the 8 cooperative groups of stores showed a net shortage in weight, while those from each of the remaining 3 showed a net overage. The largest net

shortage in weight for any one of these cooperative groups was 0.722 of 1 per cent of the quantity purchased; the largest net overage, 1.047 per cent.

SHORT WEIGHTS AND OVERWEIGHTS BY COMMODITIES

The chain stores were more frequently short weight than either the independent stores or cooperatives on two of the five items, navy beans and sweetened crackers, and were more frequently short than their independent competitors on dried prunes as well. On sugar and Lima beans the reverse was found, the chains giving short weights less frequently than their independent or cooperative competitors. Except on Lima beans, however, where the difference is very slight, the proportion of chain purchases which were short weight always exceeded the proportion which was over-weight. The showing for the independents and cooperatives was slightly better, both of these types of distributors giving more overages than shortages on prunes and Lima beans. On sweetened crackers and sugar, however, the independents and cooperatives as well as the chains had substantially lower proportions of overages than shortages.

In actual net weight each type of distributor gave net overages on prune and Lima-bean purchases and set short weights on sweetened crackers. On navy beans the chains gave a net short weight, and the other type of distributors a net overweight, the reverse being true on sugar, where the chains had a slight net overage, and the other types of distributors were net short. Except in the case of sugar, where the chains had a slight overage, the overweights given by the chains were less and the shortages greater than was true of cooperative and independent distributors combined. The general and comparatively high shortages on sweetened crackers are possibly explained in part by the fact that this was relatively the most expensive article purchased in the various stores and also the one which was perhaps at the same time the least susceptible of accurate weighing.

EFFECT OF WEIGHING AND PACKAGING BY DISTRIBUTORS ON WEIGHING RESULTS

Since it is sometimes contended that preweighed bulk purchases reflect more clearly the attitude of grocery stores in the matter of accurate weights, considerable interest attached to the weight of such bulk items—that is, those items weighed by employees in advance of sale. A total of 795 items, or 12 per cent of total purchases (6,640 items) made, were preweighed and nearly two-thirds (64.4 per cent) of these were obtained from chains. As has been often alleged, short weights occurred more frequently on these preweighed items than on items weighed at the time of sale. For the chains, the proportion of preweighed items which were short in weight was 59 per cent, as compared with 50.3 per cent on both preweighed and other items. For independents and cooperatives combined, the difference was much more striking, the proportion of shortages on preweighed items being 65 per cent as against only 47.8 per cent on the total items purchased from those dealers. The chains therefore had a considerably smaller proportion of short weights on preweighed items than the independents or cooperatives separately or combined. They also gave exact weights on a larger proportion of items.

The buyer of commodities weighed and packaged in advance of sale stands about two chances out of three that he will get short weights from either the independent dealer or the cooperative, and only a slightly better chance in the chain store. Furthermore, the net shortage on these preweighed items is much greater, on the average, than is the case with items weighed at the time of purchase. On preweighed items the net shortage represented slightly over eight-tenths (0.813) of 1 per cent of the quantity purchased as compared with less than one-tenth of 1 per cent (0.091) on total quantities of all goods bought. Between chains and independent and cooperative chain dealers the difference in the size of the shortages on preweighed items was markedly in favor of the chains. The chains were net short 0.719 per cent of the total weight of the preweighed items bought, as compared with 1.005 per cent for the independents and cooperatives combined.

SHORT WEIGHTS AND OVERWEIGHTS, EXCLUDING PREWEIGHED COMMODITIES

Even after the exclusion of the preweighed items, the chains show, as they did in the case of total purchases, an appreciably higher proportion of exact weights, a somewhat higher proportion of short weights, and an appreciably lower proportion of overweights than do the other types of distributors.

Similarly, a comparison of the amounts of net overages and shortages for all purchases, excluding those preweighed, with the amounts of such net overages and shortages for all commodities purchased, showed a net shortage for the chains of two-tenths of 1 per cent, while the net overage for the cooperatives and independents combined was slightly over two-tenths of 1 per cent, the net difference amounting to about four-tenths of 1 per cent in favor of the independent stores.

FEDERAL RECLAMATION PROJECTS

Mr. STEIWER. Mr. President, my attention has been invited to a statement recently made before the joint meeting of the Senate and House Committees on Irrigation and Reclamation by the Hon. Marshall N. Dana. It is a very interesting statement, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MARSHALL N. DANA, PRESIDENT OF NATIONAL RECLAMATION ASSOCIATION, PORTLAND, OREG., JANUARY 11, 1933

The business, industrial, transportation, and, I might say, publication interests of the West have become aware that an emergency confronts Federal reclamation. We share with the direct representatives of Federal reclamation projects an understanding of the plight of settlers upon the reclamation projects under conditions entirely beyond their control which have been created by the present depression. We are in sympathy with the proposal for time extensions on settler repayments of construction charges, but we realize that if these extensions are granted there will be a loss of revenue to the reclamation fund and that this loss will prevent the continuance of construction on authorized projects.

It is imperative that we maintain reclamation as a national policy in order to conserve the basic values of the West. It is also imperative that a balance be struck between the arrangements for so-called moratoriums and a Treasury loan that will provide for the continuance of necessary construction. If construction is suspended on July 1, 2,500 to 3,500 men will be thrown out of employment. They with their families represent at least 10,000 persons, who will be subjected to severe distress, and their loss of earning and buying power will be felt in all other channels. The situation of these workers will approximate the plight of project settlers who have been unable under existing conditions to make any return.

As to whether Reconstruction Finance Corporation funds could be made available to irrigation districts, Dr. W. L. Powers, secretary of the Oregon Reclamation Congress, took up this question in Oregon, and was told that such loans would not be possible, the reason being that these projects could not be considered self-liquidating projects, since they were maintained by taxation.

I have come here to Washington authorized to say in behalf of the National Reclamation Association that all of the interests of the West are standing together in support of the Bureau of Reclamation and in behalf of legislation at this session of Congress that will meet the emergencies of the projects and of continued construction.

The National Reclamation Association asks that the Senators and Representatives from the arid-land States undertake a concert of action on legislation at the present session of Congress that will meet the emergencies of settlers upon established Federal irrigation projects and maintain the continuity of authorized construction.

We ask at this time the inclusion of no new lands for reclamation and no new projects of construction.

To salvage the values already created and to preserve the solvency of established projects is, we believe, a sufficient duty to ask of Congress under existing economic conditions.

It is our considered view that reasonable time extensions on payments due from settlers should be granted and that revenues thereby lost but imperatively required for authorized construction shall be supplemented by loans from the Federal Treasury. We believe it to be merely correct procedure to maintain a balance between the time extensions of settler repayments and the period to be allowed for in Treasury loans for construction.

We are informed by the Reclamation Bureau, and wish to repeat as evidence of the urgent need for effective immediate action, that unless suitable measures are adopted by Congress, all construction must stop July 1 of this year.

The National Reclamation Association also wishes to call upon the congressional delegation of Western States, as it has already called upon the western governors' conference, for leadership:

First. To maintain and to reestablish reclamation as a continuing national policy of the Federal Government. Second. To maintain unimpaired the efficiency and organization of the Bureau of Reclamation as a division of the Department of the Interior.

To the foregoing the National Reclamation Association, able to speak for the first time with the united voice and the unanimous sentiment of the West, pledges its unremitting endeavors and cooperation.

May I say that the National Reclamation Association was formed December 5, 1932, at Salt Lake by the National Reclamation Conference, composed of delegates who had been appointed by their respective governors or other proper State authorities, from Arizona, California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, Texas, Utah, Washington, Wyoming, Illinois, and Minnesota. The reclamation conference was held one day in advance of the western governors' conference, which by resolutions, unanimously adopted, supported the conclusions of the reclamation conference and pledged support to the National Reclamation Association.

From the constitution of the National Reclamation Association I quote that "The purpose of the association shall be to promote the cause of reclamation by irrigation, and to exert its efforts for the continuation of the services of the Federal Bureau of Reclamation and to cooperate with and assist it in bringing about the speedy completion of various Federal reclamation projects and to promote the adoption of such legislation affecting reclamation as shall meet the approval of the board of directors."

From declarations adopted by the association in the form of resolutions, I quote the following:

"We believe that the broad principle of Federal aid to reclamation should be extended to economically sound projects of regional

and national importance too costly for local or community effort; we hold that the immediate construction activity of the Bureau of Reclamation should be mainly confined to providing supplemental water supplies and completing or reconstructing works on existing Federal and non-Federal projects which are economically sound and on which such aid is urgently needed.

"We recognize further that, due to several conditions, payments accruing to the revolving funds have been materially decreased. Under the principles heretofore set forth, the activities of the Reclamation Bureau will contribute materially to the recovery of now existing agricultural areas in the Western States and therefore assist in farm relief.

"We indorse the principle of further advances to the revolving fund of the Bureau of Reclamation, to be repaid at definite and stated periods.

"While seeking to bring support to a continuing and effective policy of Federal reclamation, consistent with the general economic situation, we can not fail to recognize that an emergency exists on reclamation projects comparable with that existing in all agricultural districts, as well as in other lines of industry, and due to the same causes. This condition makes necessary some provision for an extension in the repayments of construction charges commensurate with existing needs.

"We commend this problem to the sympathetic consideration of the Congress in the belief that it can and should be met in such a way as to maintain the ultimate integrity of the revolving reclamation fund.

"We deem the existence and continuance of the Bureau of Reclamation of vital importance to the West and the entire Nation.

"It has been the policy of every administration to appoint a western man as Secretary of the Interior, and selections have been able men with an intimate knowledge of western problems.

"We urge the Bureau of Reclamation be maintained as a part of the Interior Department, which alone has acquaintance with the problems of water administration and conservation."

A provision was made on recommendation of the committee on legislation that a program of education be carried on showing the benefits of reclamation and irrigation to the West and to the Nation, and how necessary it is to continue the work of the Bureau of Reclamation to prevent a great loss to the Nation and to the West in the investments already made and to continue the proper growth and development of the West.

The active direction of the National Reclamation Association was given to a board of directors consisting of one director from each of the States having Federal reclamation projects, Messrs. Thomas Maddock, Arizona; Arthur B. Tarpey, California; E. B. Debler, Colorado; N. V. Sharp, Idaho; Sam Stephenson, Montana; R. A. Smith, Nebraska; George W. Malone, Nevada; Marshall N. Dana, Oregon; Roland Harwell, Texas; William R. Wallace, Utah; A. E. Larson, Washington; Perry W. Jenkins, Wyoming.

The National Reclamation Association does not take a position as between States or Federal reclamation projects in support of one to the detriment or prejudice of others. But we do wish to urge in the strongest terms the necessity to support reclamation as a policy and to free it from hostile, sinister, and inaccurate propaganda.

The purpose of the reclamation act passed by Congress in 1902 was to make water for irrigation available for tracts of arid land owned by the Federal Government in the West. Such an act was most proper in view of the fact that the Federal Government is the largest landowner in the so-called public-land States, having the ownership of 52 per cent of their area. The original purpose has been widened to include the supply of irrigation water for tracts in private ownership when necessitated by the character of irrigation development undertaken.

In order that western resources might to an equitable extent be used to stimulate reasonable western progress by reclamation, a revolving fund was created by provision that 95 per cent of the receipts from the sale of public lands and 52½ per cent of royalties derived from the leasing of mineral lands should be used for this purpose. All repayments of construction charges to the revolving fund were to be used in the development of other projects. In the year 1930, the reclamation revolving fund received 7 per cent of its income from public-land sales, 26 per cent from royalties, and 67 per cent from project collections. From the Federal Treasury two loans totaling \$25,000,000 have been made to the reclamation fund and \$10,000,000 of this amount has been repaid. It was provided that retirement of these loans should be at the rate of \$1,000,000. This rate was continued for 10 years. By amendatory legislation extensions in repayment were granted until July 1, 1934, when the rate will be \$2,000,000 a year for five years. Thereafter the balance is repayable at the rate of \$1,000,000 a year until fully repaid.

A little less than 3,000,000 acres, or four-tenths of 1 per cent of the national crop acreage, have been irrigated. Homes have been provided for more than 41,000 families of country-minded people of small means who dwell upon irrigated lands and continue in healthful, productive employment.

While the value of crops grown on irrigated land represents but three-fourths of 1 per cent of the total crop value of the Nation, the activity has been of the first value in balancing other agricultural and industrial pursuits of the West, including grazing and livestock, mining, manufacturing, transportation, commerce, and municipal development. It may be conservatively stated that of every dollar of irrigation investment now in the balance and

dependent for solvency largely on measures now to be enacted, four other dollars of investment are involved. We are dealing with basic security and the stake is stability and, almost, the solvency of the West.

Although we are told that the industrial East is antagonistic to reclamation, we are scarcely able to believe that other than prejudiced individuals are playing this rôle, since Federal irrigation projects afford an ever-expanding market for the sale each year of approximately 100,000 carloads, valued at more than \$100,000,000, of manufactured products. Incident to the Federal projects, some 13,000,000 acre-feet of water are stored in some of the greatest reservoirs of the world, built with no major defects. These storage reservoirs, part of an ultimately comprehensive program, conserve run-off and tend to prevent soil erosion and floods.

Under the present reclamation law and policy no projects are constructed until their feasibility has been definitely determined from all standpoints, and no new projects, as said before, are now being advanced in the program sponsored by this association, the Reclamation Bureau being engaged chiefly in completing projects heretofore authorized by Congress or in furnishing supplemental water to projects whose supply has been found inadequate to meet their needs.

Irrigation districts are in need of replacements or supplemental construction to save existing values and relieve settlers. This can best be accomplished by extending the services of the Federal Reclamation Bureau organization to aid in irrigation-district rehabilitation.

On Federal irrigation projects, since adoption of the act of 1902, some \$280,000,000 have been spent by the Reclamation Bureau; values aggregating some \$2,000,000,000 have been produced, largely of foods represented in the deficiency crops, of which, prior to the present depression, we were importing some \$2,000,000,000 worth a year. Reclamation does not have any material effect upon alleged crop surpluses. I wish to call attention to an impressive statement made by John W. Haw, agricultural director of the Northern Pacific Railroad, before the National Reclamation Conference at Salt Lake:

"Now the argument in general use against Federal reclamation is that the production of lands reclaimed aggregates an agricultural surplus which is alleged to be chiefly responsible for present low prices.

"It has been conclusively and repeatedly shown that products on irrigated projects are almost entirely those in which domestic consumption far exceeds production; that in the aggregate project agricultural production is but an infinitesimal part of our total production and could not possibly have a controlling effect. It would not seem necessary here to enlarge upon these points. Rather, we should concern ourselves with the refutation of the major premise of this argument, namely, that surplus production generally is in any major extent responsible for the level of low agricultural prices prevailing in this depression. We should be in a position to say, both, that reclamation does not contribute appreciably to the surplus; but, if it did, so far as the present situation is concerned, what of it?

"The anthem of surplus-production responsibility for present ruinously low prices, sung by most farm-distress diagnosticians, will not stand either analysis or test. We propose to discuss this question here in some detail, as it is the foundation of the present agitation against reclamation; in fact, against any further land development. In fact, it is commonly used to show that lands and farms now in production should be allowed to slip out of production under the stress of present economic conditions. The price of agricultural products produced in surplus, or those produced at a balance between consumption and production, or, again, those produced in a quantity far less than normal consumption, are all about equally low in price. Wheat and cotton, both surplus crops, are miserably low in price; but no lower than potatoes or hay—crops produced about in balance—nor are they lower than flax, sugar, and wool, which are produced domestically in but a fraction of our requirement.

"We are not here saying that the law of supply and demand has been repealed or that it is suddenly inoperative. We contend that demand has suddenly and drastically been curtailed and that to shrink supply to the proportions of present demand would depopulate 25 per cent of the farming areas of this country; that with recovery from the depression demand will again return and fair prices will obtain for even our present production. We contend that it is unsound economics and poor national policy to urge correction of the present price situation from the supply side—rather, attention should be focused on a correction of the demand side. Flax, sugar, and wool are crops now flowing in large quantities over what we thought heretofore was a satisfactory tariff wall, yet the price comparatively is as low as on the so-called surplus crops. Further, the present argument falls flat when we consider the situation as to wheat. In the world, and in this country, wheat acreage in 1932 was nearly 15 per cent under pre-depression years; yet the price has not raised, it has declined. In 1929 this country produced 812,000,000 bushels of wheat on 62,000,000 acres. The average price that year was \$1.03 a bushel. Three years later, in 1932, wheat acreage had shrunk to 55,000,000 acres and the crop, principally by reason of poorer growing conditions, amounted to only 712,000,000 bushels; but the price this year is around 50 cents a bushel. A drastic acreage and production shrinkage had absolutely no effect in checking price declines.

"What is true of wheat is likewise true of many other farm products. Certainly it is difficult, in view of statistics showing reduced production, yet declining prices, to arrive at the conclusion that either acreage or actual production has any direct correlation with price levels in a major depression such as we are now experiencing. In view of the fact that with 200,000,000 less bushels of wheat produced in this country this year as compared with 1923, and with the price 50 per cent lower, it is flatly absurd to be alarmed over the 1932 production of two and a half million bushels of wheat on 100,000 acres on Federal irrigation projects."

In 1926 the Reclamation Bureau began the 10-year program to complete unfinished works and works authorized by Congress. The program was based upon anticipated revenues to the reclamation fund of from ten to fifteen million dollars a year. The revenues have shrunk under the effect of world-wide conditions; the extension of payments to afford a merited relief to settlers who struggle as do other farms against conditions beyond their control create still further shrinkage, and the emergency of reclamation is at its crisis now.

The miserable and malicious sectional propaganda from which the West suffers is nowhere better exemplified than in the article by A. Newton Edward in the May Atlantic Monthly.

This author, addressing himself to the citizens of Wyoming, Montana, Utah, Nevada, Colorado, New Mexico, Arizona, and Idaho and perhaps several other backward States, says:

"Either relinquish your privilege of selecting two Senators each year or get out of the Union. You may, if you elected to stay in, have among you one Senator, provided he promises to be seen but not often heard. The idea that a group of six so-called States, with a population of only 2,700,000, the least populous area in the whole civilized world, should each of them speak with as much authority as the great States of New York, Pennsylvania, Massachusetts, Illinois, and others is ridiculous. What good are they—to themselves or anyone else? What do they produce? What taxes do they pay? * * * These miserable Western States have nothing, and they are a drain upon the entire country."

While we recognize this as the work of a geographic moron, it nevertheless has its effect, and certainly it has its answer. Carried to logical conclusions, it would mean the maintenance of congested populations as human breeding warrens without expansion area. It would mean the cutting off of all but the heavily industrialized areas, turning over to others the markets offered by western irrigated areas for \$100,000,000 of manufactured products. It would mean a premium on narrow homes, narrow jobs, narrow outlooks, and narrow graves. It would mean that the older sections of the country, with longer opportunity for development and growth, would now exclude the newer sections in which the forward steps of the Nation are being taken. It would mean that no longer is value placed upon inexhaustible resources in lumber, mines, range, and the superior qualities of fruit and dairy products. It would mean an America whose citizens no longer would be exalted by mountain heights, no longer intrigued by the sweep of endless plains, no longer thrilled by that adventuring into new lands that produced the resolute and stalwart American type, no longer led onward by the determination to carve homes and wealth out of the wilderness, and no longer claimed by the lure of lure of the shores of the setting sun. If the gauntlet is thrown down challenging our right to exist and to make progress, we take it up. These magnificent enterprises that quicken the pulse of every builder are creating no vacuum, but are the projection of the heroic present into a splendid future. These Federal reclamation projects are in the understanding of the individual settler and his family, the Nation's dare and Uncle Sam's partnership to building outpost homes on civilization's frontiers. In these people the pioneer spirit still is to be found at its height of exertion and independence. They no more classify as subsidy the advances from the reclamation revolving fund, which they know they will and must repay, than they thus consider the national administration or measures of national defense. In fact, they look upon the balanced development of the West as a measure of national defense in which reclamation is an integral and essential part and the Government's commitment in fostering it as firm a contract and certainly a more productive financial enterprise than the maintenance of the Army and Navy. To leave these settlers defenseless at this moment of emergency would be criminal.

A recent arrival in the National Capital, like myself, is bound to be impressed by the amazing amount of construction going on here at the expense and under the direction of the Federal Government. Beautiful buildings of marble and stone, of steel and brass, are going up on every hand. These are being prepared to meet the expanding administrative needs of a confident Nation that fears no backward step. Their construction at this time means very large employment relief. Such buildings awaken our pride in a country able to build so expensively and so permanently. We are told that these are structures intended to serve for the next 1,000 years. No suspension of construction has been allowed, we are further told, because authorization was granted and appropriations were made "when there was plenty of money."

I speak not for criticism, but only for contrast, when I say that we from the West speak for those who are building their castles not of marble and bronze, but from out of the soil—their castles, their homes. They also are engaged in carrying on as best they can with authorizations previously granted. Nor will we hear it said by anyone that these people who build at the very mudsills

of the foundation of our national integrity are less deserving, their distress less a subject of governmental concern.

Reclamation justifies itself by its production of deficiency crops and avoidance of farm surpluses. It establishes a balanced relationship between the western farm and town and is contributive to every other form of productive activity. It has created a desirable and expanding market for manufactured products. When emergency necessity for production arises, as it is sure to do as a consequence of present repression, the reclaimed areas will help supply the need, particularly of western towns and of the ports and terminal cities of the Pacific coast. And reclamation helps the Nation take and maintain a strong front toward the problems of the Pacific. Farming by means of irrigation is not politics, is not propaganda, is not speculation and inflation, but is merely the method of farming made necessary by the character of the country. The Federal Government's cooperation is a solemnly assumed responsibility. Its relief of reclamation settlers and the continuance of projects should be undertaken through the established channel of the Reclamation Service.

And I am aware as these words are uttered of thousands of families of the best and most dependable people we have in America, who are waiting with strained attention and anxious hearts for the outcome of this conference and the action of Congress. Their homes, their families, their futures, are at stake. Their confidence rests in the business responsibility of their Government. It is an economic problem we present, but it is also a human problem. The cost is small compared with the vast sums made available to others no more meritorious. But the relief is imperative. When the National Reclamation Association asks that moderate Treasury loans be made for continuance of authorized construction and in amount corresponding to the loss of revenues by extension of settler payments, we speak in no narrow or provincial manner, but with a true nationalism, and we present an emergency. For its solution we look with confidence to the elected leadership of the West.

I have received this morning a letter from Charles E. Stricklin, State engineer of Oregon, in which he says that hundreds of men will be thrown out of work if authorized construction is suspended because of exhaustion of funds with which to continue, due to a moratorium. On the Owyhee project in Oregon alone, probably 1,000 men would be thrown out of work. While applications are being made for relief of the needy in Oregon through the Reconstruction Finance Corporation, those applications do not contemplate this additional number, together with their families, and it would seem absurd to place upon Federal charity those who under every consideration of good faith and contracted obligation expect to secure employment on these Government projects. I asked Dr. Elwood Mead, United States Commissioner of Reclamation, exactly what would be the situation confronted by the Reclamation Bureau at the beginning of the next fiscal year, July 1, 1933. I wish to present his answer to that question:

If a moratorium is granted on construction payments by the present Congress, a loan to the reclamation fund to replace the money thus withheld should be made. Without this, construction work will practically cease for lack of money by next July. The following facts show this.

On July 1, 1932, when the 1933 appropriation act went into effect, the balance in the fund was \$3,700,000. Against that were appropriations amounting to \$5,200,000. Six months later, on January 1, 1933, this balance had fallen to \$2,000,000. Of this balance, \$1,200,000 must be reserved to pay current debts, for labor and construction work for which the money is obligated under contracts, for material and supplies, and charges for transportation. This would leave on January 1, 1933, an unexpended balance of \$800,000. Against this there are the obligations to meet payments on construction work in progress under contracts required to be completed before July 1, 1933, which will require \$1,000,000, or \$200,000 more than the balance in the fund available for construction January 1, 1933.

But there are other obligations in addition to this contract work. Construction work is in progress by the United States, mainly day-labor forces, which will require \$600,000. Work authorized by Congress for which appropriations have been made but where the contracts have not been let, will require \$850,000 more, making a total of obligations against the fund between now and July 1, 1933, of \$2,450,000. In this 6-month period from January 1 to June 30, 1933, there will be an estimated income, outside of construction payments by settlers, of \$1,250,000. This income plus the unexpended \$800,000 in the fund, would make approximately \$2,050,000 to meet obligations of \$2,450,000, or a shortage of \$400,000.

But that is not the only financial difficulty the bureau faces. The Treasury requires the bureau to maintain a working balance. All this money therefore can not be spent. Some of it must be held to protect the Treasury against unforeseen or unexpected demands, such as a flood to destroy canal banks. We will therefore face interruption in construction unless payments from settlers continue uninterrupted or a loan is given us.

There is another uncertainty regarding the money available for construction. There are certain cases where the bureau maintains and operates the works and later collects these expenses from the settlers. This is done where the settlers have not taken over the works. In the above we have assumed that these operation and maintenance payments will be made and that they will carry the cost of this operation. If, however, any project defaults in the payment of current operation and maintenance charges, there will be another reduction in the fund. Present conditions

indicate that some such defaults will occur, thus lessening the amount of construction money.

Construction work proposed in the bill now before Congress will require \$3,000,000, which equals the entire estimated income, without settlers' payments, but that \$3,000,000 appropriation will face a deficit on July 1, and the appropriation contains nothing for completing the reservoir needed at Vale, estimated at \$1,100,000; nothing for completing the Salt Lake Basin project, estimated at \$650,000; and nothing for the Stanfield project, estimated at \$100,000.

This will mean, therefore, that in 1934 progress on work already begun, and where the water which these works would make available is sorely needed, will have to be at a standstill.

The estimates submitted to Congress under which the appropriation of \$3,000,000 has been approved by the lower House were based on the assumption that the construction payments due from water users for one-half of 1932 and all those for 1933 would be made. If a moratorium is granted it will reduce these payments, and hence the money in the fund available to meet appropriations. A knowledge of this fact may cause Congress to yet withhold appropriations to carry on construction work in 1934 unless provision to make payments is made. If a moratorium is granted, this means a loan.

DEMANDS ON TIME OF SENATORS—INTERVIEW WITH SENATOR TYDINGS

Mr. GLENN. Mr. President, I notice a very timely statement in an interview with the senior Senator from Maryland [Mr. Tydings], which appeared recently in the newspapers. I ask that it may be made a part of the RECORD.

There being no objection, the article was ordered printed in the RECORD, as follows:

Economic conditions and a session of Congress have compelled Senator MILLARD E. TYDINGS to call for help in bringing about two reductions—in demands for personal interviews and in correspondence.

"During these days of stress," he said, "my correspondence approximates 300 letters daily. Assuming that only one minute—an impossible supposition—is given to reading each of these communications and making reply thereto, 300 minutes, or 5 hours, would be consumed.

"An average of 60 persons each day request personal interviews. Three minutes to a person would consume 180 minutes, or 3 more hours. Thus, to answer the mail and see the persons requesting appointments would require eight hours out of the day.

"I serve on five Senate committees, including the Committee on Appropriations, which has to deal with each dollar spent by the Government—about four billions a year. This committee meets practically every morning from 10 to 12 o'clock.

"Congress meets every day at 12 o'clock and soon will remain in continuous session every day until about 10 o'clock at night. There are hundreds of important measures with which a Senator must familiarize himself.

"It must be perfectly obvious to any reasonable person that no man can answer this vast correspondence, see personally all of those who wish to talk with him, attend the committee meetings, and attend the sessions of the Senate.

"In these times when 12,000,000 people are out of work, 5,000 banks have failed, and upward of a million farms have been sold under mortgage foreclosure, the first duty of a representative in Congress is to devote himself to legislation which, it is hoped, will at least bring about a partial cure of the depression.

"I say this so my constituency may understand that, with Maryland abutting the congressional district, it is humanly impossible—even if I were three men—to afford each of those asking a personal interview.

"The time I give to these individual interviews and individual matters, while important in themselves, particularly to those interested, is taking my attention from matters of grave importance to all of the people of Maryland as well as to the country as a whole. I have severed every personal indulgence which I can, both in the day and in the evening, with the hope of finding time to keep up with the tremendous demands now upon me.

"I am, therefore, making this appeal to the people of Maryland. If the matter they have in mind is a position, compensation, or some other matter with which the Federal Government has to deal, it will be of the greatest help to me if they will write me as briefly as possible and not ask for personal interviews unless the matter is of such grave importance that it can not be handled in any other manner.

"I realize that in some quarters this may be misunderstood, but, after having tried to see personally everyone requesting an interview, to give prompt attention to my correspondence, to attend the committee meetings and the meetings of the Senate, and to study and give my attention to the important legislation before the Congress, I find that even with working far into the night it can not be done.

"I like the job. This is no complaint. All I ask is helpfulness."

ANALYSIS OF IMPORT AND EXPORT TRADE—TARIFF BARGAINING

Mr. COSTIGAN. Mr. President, yesterday I asked unanimous consent for the consideration of two resolutions which

had been reported favorably from the Committee on Finance. I desire at this time to renew my request for the consideration of those resolutions.

Mr. SMOOT. Mr. President, if they will lead to any discussion whatever, I shall have to object. I should like to get this appropriation bill through to-night.

Mr. COSTIGAN. I have spoken to the Senators in charge of the bill, and they have no objection to the immediate consideration of the resolutions.

Mr. SMOOT. With the understanding that they will not lead to any discussion, I have no objection.

The PRESIDING OFFICER. Are the resolutions on the calendar?

Mr. COSTIGAN. The resolutions are on the calendar, and I do not think they will require any discussion.

The PRESIDING OFFICER. The Senator from Colorado asks unanimous consent for the consideration of a resolution, which will be read.

Mr. SMOOT. I have no objection unless it leads to discussion. If it does, I shall object.

Mr. REED. Mr. President, what is the request for unanimous consent?

The PRESIDING OFFICER. The clerk will read the resolution for the information of the Senate.

The legislative clerk read Senate Resolution 334, submitted by Mr. COSTIGAN on the 18th instant, calling for an analysis of the import and export trade with certain foreign countries, and for other information concerning tariff problems, as follows:

Resolved, That the United States Tariff Commission is hereby directed under section 332 (g) of the tariff act of 1930, and for the purposes of that section, to investigate, particularly by resort to available files and records, and to report thereon to the Senate assembled data, furnishing the Senate completed portions thereof as promptly as conditions permit, on the following subjects:

(1) An analysis of the composition of the import and export trade of the United States with each of the foreign countries with which the United States has important commercial relations, accompanied, where feasible, by a list of the tariff and other trade restrictions imposed since January 1, 1922, by each such foreign country on articles now or formerly imported from the United States, a discussion of alternative sources of such articles, an analysis of the invisible items entering into the balance of trade with each such country, and other significant economic and competitive facts affecting trade therewith.

(2) Early revisions of the summaries of tariff information heretofore compiled by the United States Tariff Commission, which will particularly indicate (a) the character of production, of imports and of exports of the United States, and the production in foreign countries of articles or types and grades of articles not exported to the United States or so exported only in minor quantities, with the reasons therefor; (b) advantages and disadvantages affecting the sale of domestic and foreign products in the markets of the United States and in important foreign markets; (c) concentration of control in foreign and domestic industries; and (d) other tariff problems, including those arising from the use of substitute articles, presented by industries selected for specified and significant reasons by the United States Tariff Commission.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. REED. Mr. President, reserving the right to object, I had not intended to speak on this matter, but I should like the RECORD to show that I am opposed to the passage of both of these resolutions. I have no objection to their further consideration.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution just read? The Chair hears none.

The resolution was considered by the Senate and agreed to.

The PRESIDING OFFICER. The clerk will read the second resolution referred to by the Senator from Colorado.

The legislative clerk read Senate Resolution 325, submitted by Mr. COSTIGAN on the 13th instant, calling for a report from the Tariff Commission of relative imports of certain commodities for designated years, and for certain other information concerning imports and exports.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution? The Chair hears none.

The Senate proceeded to consider the resolution, which had been reported from the Committee on Finance with amendments, on page 2, line 4, after "1933," to strike out "(giving precedence to this resolution, so far as may be required, over other resolutions heretofore adopted by the Senate directing the United States Tariff Commission to make reports to the Senate)"; in line 12, after the word "in," to strike out "1920" and insert "1919"; on page 3, line 5, after "1928," to strike out "and 1929, the first half of 1930, the latter half of 1930, and the calendar year", and insert "1929, and"; and on page 4, line 10, after the word "from," to strike out "1919" and insert "1929"; so as to make the resolution read:

Resolved, That the United States Tariff Commission (as provided under sec. 334 of the tariff act of 1930, and so far as deemed advisable by said Tariff Commission, with the cooperation of the Departments of State, Commerce, Agriculture, Labor, and other departments or independent establishments of the Government, as and when requested by the United States Tariff Commission to cooperate) is hereby directed under section 332 (g) of the tariff act of 1930, and for the purposes of that section, to investigate, particularly by resort to available files and records, and to report thereon to the Senate assembled data (including tariff rates, foreign-trade statistics, production statistics, and other pertinent facts) successively on or before February 1, 1933, February 15, 1933, and, finally, March 1, 1933, on the following subjects:

(1) Any and all tariff classifications (including, when practicable, grades and styles thereof and articles included in basket clauses) with respect to which there were substantial imports from abroad in 1919 and/or 1929, and as to which imports have since substantially lessened or have ceased, with the approximate dates of such lessening or cessation of imports, together with relevant facts concerning domestic production.

(2) Any and all dutiable articles of which imports in either 1927, 1929, or 1931 have represented less than 5 per cent of the domestic production of similar articles, giving the percentages of imports to domestic production in each of said years and the tariff changes in 1930, together with a description of the grades, varieties, and quantities of the said respective dutiable articles and a description of the grades, varieties, and quantities of said respective similar articles produced in the United States.

(3) Any and all articles on which the tariff rates exceed 50 per cent ad valorem, arranged by schedules in order of height of said rates in 1931, including the ad valorem equivalent of specific and compound rates, based, respectively, on prices of the calendar years 1928, 1929, and 1931; together with quantities and values imported in the same periods and the domestic production for 1929 and 1931, where practicable, of the respective articles covered by said rates, and separate lists showing, for all agricultural products and agricultural raw materials carrying tariff rates exceeding 50 per cent ad valorem in 1931, the equivalent ad valorem of present rates based on average prices from 1920 to 1929, both inclusive.

(4) Dutiable articles the imports of which have increased in quantity or value since 1929, with amounts and values of increases.

(5) Statistics, arranged by tariff paragraphs and schedules, of all articles important in export trade, the exports of which have decreased in quantity or in value since 1929, with information on the extent of the resulting unemployment in domestic export business.

(6) The extent of exports of capital from the United States to foreign countries to build or buy factories and employ labor in such foreign countries, together with the number of employees in such American-owned foreign factories.

(7) The range and variety of costs of production related to the quantities produced in each cost range in the United States and in competing foreign countries for each industry investigated by the Tariff Commission since 1920 (so far as can be given without disclosing the costs of individual concerns).

(8) The value and, where available, the quantity during each year from 1929 to 1932 of articles or special grades of articles which are produced in the United States with advantages, including trade and market conditions, which were factors in causing such articles and grades to be exported in substantial quantities to foreign markets, together with a statement regarding the nature of such advantages.

(9) The value and, where available, the quantity of the imports during each year from 1929 to 1932 of dutiable articles (distinguishing so far as practicable grades and styles of such articles and separate items included in basket clauses) which are more or less noncompetitive with articles produced in the United States and in which foreign countries possess advantages in production, including seasonal advantages, or as to which the foreign product has some unusual appeal to purchasers in the United States, including articles produced abroad by the use of relatively large quantities of hand labor as well as so-called foreign specialties not adapted to mass production or other conditions of efficient and economic production in the United States, and with particular reference to articles produced in Canada, Great Britain, Germany, France, Spain, Belgium, Italy, Czechoslovakia, Mexico, Argentina, Russia, China, and Japan, and in such other foreign countries as may provide commercially important illustrations.

(10) The extent to which existing conditional and unconditional most-favored-nation clauses in commercial treaties, listed for convenient reference, may affect tariff bargaining with foreign countries, having in view early and reciprocal reductions in tariff rates in the United States and foreign countries and increased trade and commerce between the United States and foreign countries.

(11) Generally to advise such ways and means for tariff bargaining as may appear relevant for most advantageously promoting expanded trade between the United States and foreign countries, with the purpose of increasing employment in the United States and markets abroad for products of farms and factories of the United States.

The amendments were agreed to.

The resolution as amended was agreed to.

TREASURY AND POST OFFICE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

Mr. ODDIE. Mr. President, I have been informed that a number of Members of the Senate will not be able to be here this afternoon, and that they would like the privilege of voting on the pending amendment. I, therefore, am going to ask the Senator from Tennessee [Mr. McKellar]—who, I understand, has some further remarks to make regarding it—whether he would be agreeable to a vote on Monday shortly after the Senate convenes.

Mr. McKellar. Mr. President, I think we should make more haste on this bill; but if requests of that sort have been made of the Senator, and the Senator wants to have the bill go over, that will be satisfactory to me.

Mr. SMOOT. Do I understand that the Senator's request is that we shall not continue the consideration of the bill to-night, but shall recess at this time until Monday?

Mr. ODDIE. Yes; that was the suggestion.

Mr. KING. We would require a quorum if we took a vote, I suppose.

Mr. SMOOT. If there is objection to it.

Mr. McKellar. Does the Senator mean if there is objection to agreeing to this amendment?

Mr. SMOOT. No; I do not mean that, but as to whether or not the Senate will take a recess.

Mr. ODDIE. Does the Senator from Tennessee think we could get a vote on this amendment by 1 o'clock Monday if we should recess until 12?

Mr. McKellar. I see no reason why we can not. We certainly can, so far as I am concerned; but I do not think we ought to make an agreement about it. Other Senators might want to say something on the subject. As far as I know we could vote at that time, but I should not want to bind other Senators.

Mr. SMOOT. I know of no one else who desires to speak.

Mr. McKellar. Does the Senator want a vote now?

Mr. SMOOT. Yes; I would just as soon have a vote now, although we have not a quorum.

The PRESIDING OFFICER. Has the Senator from Nevada submitted a request?

Mr. ODDIE. I ask unanimous consent that we vote on this amendment on Monday at 1 o'clock.

Mr. McKellar. It would require a quorum to make an agreement of that kind, would it not?

The PRESIDING OFFICER. No; only for a final vote.

Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

The agreement was reduced to writing, as follows:

Ordered, by unanimous consent, that a 1 o'clock p. m., on Monday, January 30, 1933, a vote be taken on the so-called Seatrains Co. amendment to H. R. 13520, the Treasury and Post Office appropriation bill.

RECESS

Mr. ODDIE. I now move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 2 o'clock and 33 minutes p. m.) the Senate took a recess until Monday, January 30, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

SATURDAY, JANUARY 28, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Lord God of the Ages, the eyes of whose glory can not look upon iniquity, be merciful unto us. Increase our faith that we may have rest and quiet in the discipline of life. May its light never fade into darkness, nor its goodness lose its vitality. O, may we magnify the grace of our God in the spirit of the deepest gratitude. With self-restraint and with true hearts may we bend ourselves to our country's need; live in fellowship with our people and in the service of this day. Bless the Congress with unity of purpose, vision, and motive. Stir our whole land with a great awakening; bring it to a realization that impoverishment, social suffering, and bereavement will pass by and that our Republic shall not be caught in the iron mesh of some remorseless fate. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 14436. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 243. Joint resolution authorizing the President of the United States to extend a welcome to the Pan American Medical Association which holds its convention in the United States in March, 1933.

MINING ON THE PUBLIC DOMAIN

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 4509) to further amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," with House amendments, insist upon the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. Evans of Montana, Yon, and Colton.

COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the bill (S. 636), to convey certain land in the county of Los Angeles, State of California, be rereferred to the Committee on Military Affairs.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CONSPIRACY TO CONTINUE DEPRESSION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I believe that the depression will continue until certain parties like the Mellons and Morgans can secure desirable properties at their own prices, if they continue to have their way. It represents a deliberate conspiracy to defraud the American people. Andrew W. Mellon is still running this country. He and his brother own and control \$8,000,000,000 in money and property, which is several billion dollars more than the amount of

money in circulation in the entire Nation. The Department of Justice has had several pillow fights with the Mellon companies.

TAX EVASIONS AND BANKRUPTCY SALES

One of the Mellon companies, in order to evade income taxes, accumulated a reserve of more than \$600,000,000 during Andrew W. Mellon's tenure in office; this reserve was on hand when the depression started; two-thirds of it has already been used to purchase the distressed properties of competitors and other properties and now although it has a reserve of more than \$200,000,000, it has recently passed a dividend payment so additional distress properties may be secured at bankruptcy prices.

NO APPOINTMENT OF MELLON-MORGAN GROUP

I hope the incoming administration does not have an official in it who is in any way directly or indirectly connected with this Mellon-Morgan group. Our Nation is being destroyed by them.

INVESTIGATION OF TREASURY DEPARTMENT AND MONETARY SYSTEM

During the first session of the Seventy-second Congress I introduced a resolution to have a committee of the House investigate the Treasury Department, Federal Reserve Board, the monetary, banking, currency, and fiscal affairs of the United States in their entirety. This resolution was considered by the Rules Committee but favorable action was denied; the committee after considering the matter had a tie vote on its adoption. At this session favorable action can not be expected because the committee, if appointed before the expiration of this session, could not function after March 4, 1933, since the terms of office for all Members of the House expire at that time. I expect to urge favorable consideration of such a resolution at the coming special session of Congress.

FREE USE OF MONEY FOR A FEW

I believe that such an investigation will show that a few powerful bankers are using free of charge the money issued by the Government; that this money has a coverage of from 2 cents to 40 cents on the dollar, and that the people are charged from 5 per cent to 30 per cent annual interest for its use. The money represents a mortgage on all the homes and other property of all the people in the Nation. The credit of the Government should not be farmed out to private bankers; but if it is, certainly a reasonable charge should be made for the use of it.

BILLIONS TO LARGE TAXPAYERS

Such an investigation will show further that billions of dollars have been refunded to large income-tax payers during the last 12 years, and that a substantial part of this money has been illegally refunded; that tens of millions of dollars were refunded by Mr. Mellon, the Secretary of the Treasury, to himself, the private citizen Mr. Mellon, and to his wealthy corporations. These refunds can not be investigated by a Member of Congress; the records are secret. Secrecy is a badge of fraud. No honest man should desire the privilege of secretly administering the tax laws of our country, and no dishonest man should be allowed that privilege.

PUBLICITY OF TAX RETURNS

I doubt that the Budget would be unbalanced if all tax returns had been subject to public inspection. When a proper investigation is made I believe it will cause the collection of hundreds of millions of dollars.

EXTENSION OF REMARKS

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to have inserted in the Record a telegram from the mayor of the city of New York dealing with the bankruptcy bill.

Mr. UNDERHILL. Mr. Speaker, I object.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR
APPROPRIATION BILL, FISCAL YEAR 1934

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14363) making appropriations for the Departments of State and Justice, and for the judiciary, and for

the Departments of Commerce and Labor for the fiscal year ending June 30, 1934, and for other purposes. Pending that, for the information of the House, I may say that so far as I know, we should finish reading the bill in a short time, there being no other items in the bill which are likely to provoke lengthy discussion, and there are but a few pages remaining.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. DYER. Can the gentleman tell the House now whether or not he expects to ask for separate votes on the amendments that have been adopted in the committee?

Mr. BLANTON. Why not?

Mr. OLIVER of Alabama. Just as soon as we finish reading the bill I will make a statement.

The SPEAKER. The question is on the motion of the gentleman from Alabama that the House resolve itself into the Committee of the Whole House on the state of the Union for further consideration of the bill H. R. 14363.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14363, with Mr. OLIVER of New York in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

For the Commissioner of Patents and other personal services in the District of Columbia, \$3,176,250: *Provided*, That of the amount herein appropriated not to exceed \$25,000 may be used for special and temporary services of typists certified by the Civil Service Commission, who may be employed in such numbers, at \$4 per diem, as may, in the judgment of the Commissioner of Patents, be necessary to keep current the work of furnishing manuscript copies of records.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that we may return to page 35, line 1, for the purpose of offering an amendment so as to make this appropriation conform to what was done in reference to the Atlanta Prison as to funds that might be expended for salaries.

Mr. GOSS. Mr. Chairman, reserving the right to object, I would like to hear a statement from the gentleman from Alabama as to the proposed amendment.

Mr. OLIVER of Alabama. The gentleman from Georgia yesterday submitted an amendment which sought to increase the amount that might be paid for salaries of employees at the prison in Atlanta, without increasing in any way the appropriation, the need for it being that it was probable they might find it necessary to employ a few additional guards. So I consented that the amount should be increased by \$20,000.

In order that we might place Leavenworth, which has a like request, on the same basis, I am now asking unanimous consent to return to page 35, so as to increase, without increasing the appropriation, the amount that may be expended for this purpose, \$30,000. The population of the Atlanta prison is about 3,000, while that in the two prisons at Leavenworth is now approximately 4,800.

Mr. STAFFORD. Does the same situation exist in reference to other penitentiaries?

Mr. OLIVER of Alabama. No; only at these two at present.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. LAGUARDIA. Lest it might be misunderstood, this money is not required to complete, repair, or add to any existing institution?

Mr. OLIVER of Alabama. No; it is not.

Mr. LAGUARDIA. It is surplus, and it would be utilized for another item.

Mr. OLIVER of Alabama. In other words, if they find they can make savings from funds already approved, the savings may be used for this very helpful purpose of providing some relief to the guards that are now employed.

Mr. GOSS. Can the gentleman assure us there will be no other amendment to this amendment?

Mr. OLIVER of Alabama. I have heard of none.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama: Page 35, line 1, strike out "\$591,500" and insert in lieu thereof "\$623,500."

The CHAIRMAN. The question is on the amendment of the gentleman from Alabama.

The amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to return to page 41 of the bill.

The CHAIRMAN. May the Chair call the gentleman's attention to the fact that we passed over a paragraph on page 29, dealing with the subject of salaries of clerks of court.

Mr. OLIVER of Alabama. Mr. Chairman, I think as soon as the proposed amendment on page 41 is disposed of disposition of the other paragraphs may follow.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to return to page 41, line 3, for the purpose of offering an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama: On page 41, after line 3, insert a new paragraph, as follows:

"In addition to the appropriations herein made for 'salaries and expenses, clerks of courts, salaries and expenses of district attorneys, and so forth,' and 'enforcement of antitrust laws,' the sum of \$175,000 of the unexpended balance of the appropriation 'Federal jails, construction,' contained in the act making appropriations for the Department of Justice for the fiscal year 1932, is hereby made available for the fiscal year 1934, for the purposes enumerated in such appropriations and in such amounts as the Attorney General, in writing, may designate."

Mr. STAFFORD. Mr. Chairman, I reserve the right to object so as to give the gentleman an opportunity to explain the purpose of the amendment.

Mr. OLIVER of Alabama. Mr. Chairman, this amendment was shown to gentlemen on both sides of the aisle who had expressed interest in the amounts recommended by the committee for the payment of clerks, district attorneys, and for the enforcement of the antitrust laws.

I stated in my opening remarks that some of the amounts recommended for the Department of Justice were mere estimates and could not be more than that. Sometimes the business before the courts is much heavier than can be anticipated, and out of abundant precaution I stated I would offer later, with the consent of the committee, an amendment that would make possible an increase in these appropriations, if, in the judgment of the Attorney General, it was found necessary. Some years ago the House appropriated \$1,500,000 for the purpose of building Federal jails. Your committee has tried to hold this construction down. This year we have refused to recommend to the House any new construction for 1934 and have already taken from this continuing appropriation, with your approval, a sum sufficient to complete the prison at Springfield, Mo.

There is left in this jail fund, which is a continuing appropriation, about the amount we now are making available for the payment of clerks, for the enforcement of antitrust laws, and for the payment of the salaries of district attorneys and assistant district attorneys with the written approval of the Attorney General, if such money is found necessary.

We will thus take from the department any temptation to spend more money in the construction of prisons at this time, and thereby will make available what doubtless will be required in 1934 because of increased business before the courts.

Mr. BRIGGS. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. BRIGGS. This is merely a reappropriation of funds?

Mr. OLIVER of Alabama. No; it does not have to be reappropriated. It is authority for the Attorney General to use a continuing appropriation for another purpose.

Mr. BRIGGS. This is to be taken from a continuing appropriation?

Mr. OLIVER of Alabama. Yes.

Mr. DYER. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. DYER. The gentleman does not want it understood that by taking some of the funds away from the Springfield institution that this is an abandonment in any way of the intention of Congress to carry out that plan?

Mr. OLIVER of Alabama. The gentleman misunderstood me. I have already added to the amount that may be expended at Springfield by taking money from this jail fund, which the House approved. There now remains unexpended in that fund an amount which, as the gentleman from New York [Mr. LaGuardia] has said, ought not to be used, and I agree with him, for further prison construction, and we are now making it available on the written approval of the Attorney General for another purpose.

Mr. GOSS. Is it not unusual to appropriate in this manner?

Mr. OLIVER of Alabama. I will not say it is unusual. We have already approved, not only in this bill but other bills, a like course. Where there is a continuing appropriation, in order that the appropriation may not be used in such way that the House would not now approve, we have sought to restrain those who had control over such appropriation by taking it from them for other purposes.

Mr. KETCHAM. Will the gentleman yield for a brief question?

Mr. OLIVER of Alabama. Yes.

Mr. KETCHAM. Having mentioned the Springfield construction proposition, has the gentleman at hand data that would enable him to inform the House what is the present condition of that project, both as to appropriation and construction?

Mr. OLIVER of Alabama. Yes. The Springfield plant will be ready for occupancy by July 1.

Mr. KETCHAM. Of this year?

Mr. OLIVER of Alabama. Yes. This is the prison hospital, the gentleman understands; and we have taken from this jail fund an amount sufficient to build quarters for the officers in charge, for the nurses' home, and for putting a fence around the prison, placing definite limitations on completed projects; and in 1934, out of funds now already appropriated, this hospital will be completed, and no further construction is contemplated.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of objection and shall ask for recognition.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. Mr. Chairman, when the paragraph on page 29, providing for salaries and expenses of clerks of courts, was under consideration, I thought the committee had made too drastic a cut under the Budget estimate.

I have examined the hearings, which show that after the reduction of $8\frac{1}{2}$ per cent there is required for this service an appropriation of \$1,906,000. Of this amount \$1,851,000 was for personal services. It is my information that the gentleman's amendment will give to the Attorney General a reserve fund on which he may call in case the appropriation in the three items referred to have been shaved too greatly. As far as the two or three items referred to, namely, payment for United States district attorneys and enforcement of the antitrust act, the committee did not go under the Budget estimate. So I think there is a leeway of more than fifty or sixty thousand dollars where the Attorney General may have access in case of need. So I think it is advisable to agree to the amendment.

Mr. EATON of Colorado. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

At the end of the amendment offered by Mr. OLIVER, insert the following: "Provided further, That no part thereof shall be expended in connection with the manufacture of canvas-made goods at the Atlanta penitentiary."

Mr. STAFFORD. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. EATON of Colorado. Mr. Chairman, as I read the amendment as offered it is in this language:

In addition to the appropriations herein made for "salaries and expenses, clerks of courts, salaries and expenses of district attorneys, etc.," and "enforcement of antitrust laws," the sum of \$175,000 of the unexpended balance of the appropriation "Federal jails, construction," contained in the act making appropriations for the Department of Justice for the fiscal year 1932, is hereby made available for the fiscal year 1934, for the purposes enumerated in such appropriations and in such amounts as the Attorney General, in writing, may designate.

I do not know how wide this language is, but if the language is too narrow to permit of this amendment, then, of course, it is not in order. I offer the amendment in good faith for the purpose of having a restriction made on the Atlanta Penitentiary in connection with the manufacture of canvas-made goods.

Mr. LaGuardia. It has nothing to do with this appropriation. One is for construction, and the other is for the manufacture of goods.

Mr. STAFFORD. You might as well take the money out of the Treasury of the United States.

The CHAIRMAN. The Chair is ready to rule. The Chair sustains the point of order. The gentleman's amendment applies to manufacture, and there is no appropriation in this paragraph for manufacture. The amendment is not germane. The question is on the amendment offered by the gentleman from Alabama.

The question was taken, and the amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I ask the Clerk to turn to page 29 and read the paragraph beginning with line 12.

The Clerk read as follows:

Salaries and expenses, clerks of courts: For salaries of clerks of United States circuit courts of appeals and United States district courts, their deputies and other assistants, travel expenses pursuant to the subsistence expense act of 1926, as amended (U. S. C., Supp. VI, title 5, secs. 821-833), and other expenses of conducting their respective offices, \$1,856,580.

The CHAIRMAN. The Clerk will continue the reading of the bill.

The Clerk read as follows:

For investigating the question of public use or sale of inventions for two years or more prior to filing applications for patents, and such other questions arising in connection with applications for patents and the prior art as may be deemed necessary by the Commissioner of Patents; for expense attending defense of suits instituted against the Commissioner of Patents, \$700; and for expenses of attendance at meetings concerned with the work of the Patent Office when incurred on the written authority of the Secretary of Commerce.

Mr. BLANTON. Mr. Chairman, I offer the following amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 82, line 12, strike out the words "defense of."

Mr. BLANTON. Mr. Chairman, in defense of the Members who dared, in spite of threats, to go through the tellers here yesterday in opposition to the various emasculating amendments that would tend to tear down prohibition enforcement, I want to say a few words.

Mr. BOYLAN. Mr. Chairman, I make the point of order that the gentleman is not speaking to anything germane to the section.

The CHAIRMAN. The gentleman from Texas will proceed in order.

Mr. BLANTON. I am speaking "in defense" of those Members. I moved to strike out the words "defense of" in my amendment, which is rather a broad subject.

Mr. BOYLAN. Mr. Chairman, the language is not pertinent to the section.

Mr. BLANTON. My subject is "defense of," and I shall stick to my subject.

Mr. BOYLAN. Defense of what?

Mr. BLANTON. Defense of those Members who dared.

The CHAIRMAN. The gentleman from Texas must realize that the paragraph deals with the Commissioner of Patents, and he must confine his remarks to that sentence even though the words "defense of" are in the paragraph.

Mr. BLANTON. Mr. Chairman, I realize full well the limitations. In defense of the patent laws of the United States embraced in that paragraph, I want to speak a few words. A patent means nothing in the world but a personal right that is assured and guaranteed to an individual. Yesterday, when in behalf of our prohibition laws, we were exercising personal rights, we did not have a patent for them, but we had a constitutional authority for what we did.

Mr. BOYLAN. Mr. Chairman, I make the point of order that the gentleman from Texas is not speaking to his amendment.

The CHAIRMAN. The gentleman will proceed in order.

Mr. BLANTON. I know the rules, Mr. Chairman, and I am proceeding in order.

Mr. BOYLAN. There is no constitutional amendment involved here.

Mr. BLANTON. I am speaking about the inherent rights of individuals, whether patented or not.

Mr. BOYLAN. There are no inherent rights involved in this section.

Mr. BLANTON. Some are patented and some are not. Yesterday the gentleman from New York [Mr. O'CONNOR] made this statement, which I quote from the RECORD—

Mr. BOYLAN. Mr. Chairman, I object. The gentleman is not speaking of anything that is germane to the section.

Mr. BLANTON. The gentleman can not tell until he hears me complete my sentence.

Mr. BOYLAN. Of course I can, because I can read the gentleman's mind.

Mr. BLANTON. Mr. Chairman, I ask that these interruptions be not taken out of my time, otherwise they would deprive me of my right to make the remarks I desire to make.

Mr. BOYLAN. Mr. Chairman, the gentleman should proceed in order. The gentleman from Texas is a stickler for proper parliamentary procedure, and why not have it now?

Mr. BLANTON. The Chair has ruled that the gentleman from Texas is in order.

Mr. BOYLAN. The Chair has not so ruled.

The CHAIRMAN. The gentleman from Texas will proceed in order, and the Chair asks the gentleman from New York to withhold any objection until the gentleman from Texas has completed his sentence.

Mr. BLANTON. Mr. Chairman, as to the rights of Members, whether patented or not, and to show whether their rights were infringed upon yesterday, I want to read what the gentleman from New York [Mr. O'CONNOR] said.

Mr. BOYLAN. I object. The gentleman is not speaking to the section.

Mr. BLANTON. The gentleman may object as much as he pleases, but he can not keep me from discussing in order my subject.

Mr. BOYLAN. I insist that the gentleman proceed in order.

The CHAIRMAN. The Chair directs the gentleman from Texas to proceed in order under the rule.

Mr. BLANTON. Proceeding, Mr. Chairman, in order, under the ruling of the Chair, the gentleman from New York [Mr. O'CONNOR] said yesterday:

When the votes are counted and the Members pass through that aisle a check will be made on everybody on the Democratic side who passes through there for or against these amendments, so we may know when we meet here in April who are the people who are abiding by the Democratic platform and who are those who pretend at one time to be wet and the next moment reverse to dry.

I have quoted the above from the RECORD of yesterday's proceedings.

Mr. BOYLAN. Mr. Chairman, the gentleman's language does not pertain to the section, and I ask that it be stricken out.

Mr. BLANTON. Mr. Chairman, there is some latitude allowed in debate.

The CHAIRMAN. The gentleman will proceed in order or take his seat. The section under consideration to which the gentleman's amendment is offered deals with the Commissioner of Patents. The gentleman from Texas is now alluding to an address made yesterday by one of the Members of the House upon the subject of prohibition. The Chair asks the gentleman to proceed in order under the rules. The Chair sustains the point of order.

Mr. O'CONNOR rose.

Mr. BLANTON. If the gentleman from New York [Mr. BOYLAN] does not object to my yielding, I yield.

Mr. BOYLAN. The gentleman from New York is utterly unable to control you, sir. You are subject to no rules. You follow no rules except your own.

Mr. BLANTON. Mr. Chairman, I ask that this be not taken out of my time. I ask that these objections, Mr. Chairman, be not taken out of my time, because I am going to proceed in order, although I have about concluded what I wanted to say.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BLANTON. Before I yield I wish to say that a patent right, as embraced within this paragraph of the bill, means nothing in the world but a guaranty to the American citizen that his rights shall be protected by the laws of the United States. I want to assure my friends in this House that whether patented or not they have a right to go through that aisle between the tellers and vote just as they please, regardless of the threat of the gentleman from New York [Mr. O'CONNOR].

Mr. BOYLAN. Mr. Chairman, the gentleman is clearly out of order.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order.

Mr. BLANTON. That is all I want to say to the Members.

The CHAIRMAN. Does the gentleman withdraw the pro forma amendment?

Mr. BLANTON. I just wanted to say what I have said to the gentleman from New York [Mr. O'CONNOR]. I withdraw the pro forma amendment.

Mr. Chairman, having obtained unanimous consent from the House to extend my remarks, I will discuss briefly the amendments we are to vote upon before the final passage of this bill. Before doing that, however, for the benefit of our friends in the various States who daily read this RECORD, I want them not to gather the impression that the gentleman from New York [Mr. BOYLAN] and I are unfriendly toward each other, for such is not the case. He is a fundamental, uncompromising wet who conscientiously believes in and zealously fights for his cause. On the other hand, I am a fundamental, uncompromising dry who conscientiously believes in and zealously fights for my cause. We respect each other's views, and we each accord to the other the inherent right of carrying on the fight without giving quarter.

I have for the gentleman from New York [Mr. BOYLAN] not only great respect and warm friendship, but deep affection as well. I sit with him much in the House and greatly enjoy his companionship. No man in Congress is wittier or more entertaining. When I attempt to further the interests of prohibition I do not blame him when he exhausts his parliamentary skill in trying to stop me. We take it on the chin from each other and then still remain friends.

The Tinkham amendment, which seeks to prevent our prohibition-enforcement officers from resorting to wire tapping, is the first one we will vote on to-day. Both Attorney General Mitchell and Colonel Woodcock assured our committee that without resorting to wire tapping in extreme cases it would be impossible for them to apprehend the master minds and leaders of the big liquor rings who operate secretly in the United States and from abroad. They are known to very few of their many employees. They keep their identity concealed even from their gang members. They are notorious criminal leaders outranking the Al Capones of gangdom. It is easy enough to catch the smaller criminals without wire tapping, but it requires the use of wire tapping to catch the master minds.

It simply resolves itself into the question of whether or not we want the master minds caught. Do we? Or do we not? If we do not, why not? Just what is our interest in the master minds that we do not want them caught? Have we such an interest in them? Do we want to protect them? Do we want to give them aid and comfort? Do we want to place safeguards around them? Do we want to make it very difficult for our enforcement officers to apprehend them? If we do, we ought to pass this Tinkham amendment, which prohibits our law-enforcement officers from resorting to wire tapping to catch criminal leaders.

We must keep in mind the fact that both Attorney General Mitchell and Colonel Woodcock testified before our committee that in no case did they allow any wire tapping unless and until the special agent made a full report of the facts and situation, showing the necessity and urgency, and each particular case had to be approved and authorized both by Colonel Woodcock and Attorney General Mitchell, or the Assistant Attorney General.

We ought to have a record vote on this Tinkham amendment, and each and every Member here ought to be willing to go down on record as to whether he is more interested in protecting criminal master minds from apprehension than he is in enforcing the laws of his country. To get a record vote it will require one-fifth of the Members present to stand up and demand the "yeas and nays." If you are willing to deprive our enforcement officers of this needed weapon, without which they can not apprehend criminal leaders, are you not willing to let your constituents know how you stand by having a record vote? I am.

Now, as to the Tarver amendment, which will follow the Tinkham amendment, it would stop all enforcement whatsoever in several States, if it passes; for the courts in several States have held that before there can be a conviction, there must be direct evidence of specific sales, and without proving sales, there can be no conviction.

Do we want to withdraw all enforcement efforts from such States? Do we want to leave them wholly without any enforcement? If we do, all that is necessary is to pass the Tarver amendment. For if it becomes law, then all enforcement in several States will stop.

If we want States like New York, New Jersey, Maryland, Pennsylvania, Illinois, and Missouri to run wide open, in the face of the Constitution, then we want to pass the Tarver amendment. If we want the Nation's Capital to be dripping wet, with dives and clubs in every block, with no chance to convict bootleggers, then we want to pass the Tarver amendment. It is absolutely necessary to make purchases in order to prove sales; and without proving sales, there will be no convictions. It is simply a question of whether we want to give our enforcement officers a chance to enforce the law in all States, or of whether we are in favor of not having any enforcement whatever in those States where it is necessary to prove sales to warrant a conviction. We ought to have a roll-call vote on the Tarver amendment.

Mr. BOYLAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think the time has come when, in speaking about appropriations for the Commissioner of Patents, any Member of the House of Representatives should endeavor to rehash matters that the House has already passed upon. If we permit this course, we will get nowhere. I believe that proper courtesy is due to every Member and that he should be given due credit for his opinions.

Mr. BLANTON. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. I make the point of order that the remarks of the gentleman from New York are no more based upon the paragraph in the bill with reference to patents than my own remarks, but I do not object to the gentleman saying anything he wants to.

Mr. BOYLAN. That is very kind of the gentleman from Texas to extend to me that privilege. I thank him. Of course, the mere fact that he transgresses the rules is no reason why I should. But I think it is unfair, in the gen-

tleman's zeal, to try to make personal applications that are not altogether in conformity with the rules of the House. Of course, I know the gentleman's zeal for his cause, and I respect him for it. I find no fault with that; but, on the other hand, the gentleman should not find any fault with the opposition if they, too, adopt the same course.

Of course, I know it is extremely disagreeable, after riding in the saddle for 12 years, to be unhorsed. I know how it feels to lose. I know that it is not pleasant; but, of course, that is the way of all things human. Things go along slowly and then they rise to the peak and, after reaching the summit, they gradually decline and fade away and die. That is the fate of all causes. History has repeated itself thousands of times. While to-day we may bask in the sunshine of public approval, yet to-morrow thumbs may be turned down on us; but we must accept it. In the vernacular of the day, let us be good sports and take it on the chin and not get too much heated up about it.

This is a cause that the gentleman has espoused for several years very successfully. We wets have opposed it. The gentleman has basked in the sun of victory. Now it is our turn; we must push him into the shadow and take his seat in the golden approval of public confidence. So let us not lose our equilibrium, because, after all, what does it matter, the little things we are doing here to-day? This hour will pass and this day will pass, and others will say, "How foolish they were to get so excited about transient things that were of only minor benefit to the country." So let us proceed in decorum and charity, even if the tides are against us, and with a high regard for the opinions of others as well as for our own cherished and valued views.

With those few words, Mr. Chairman, I withdraw my objection to the amendment.

The pro forma amendment was withdrawn.

Mr. MCGUGIN. Mr. Chairman, I move to strike out the enacting clause.

Mr. Chairman, in keeping with my idea that none of the appropriation bills should be passed in this session of Congress, I am rising to move to strike out the enacting clause of this appropriation bill.

This session of Congress, composed of this Membership, passes out of the picture on March 4, but here we are going on passing appropriation bills which determine the expenses of this Government for the fiscal year beginning July 1, 1933, and ending June 30, 1934. At the same time the House leadership has declared to the country it will not provide a revenue bill to meet those expenses. That is wrong from the standpoint of business. No business institution can survive, no individual can survive, going on spending money without taking into consideration where the money is coming from to meet the expenses. We should not do it. We are invading upon the next Congress when we do it. We are trying to tie the hands of the next Congress and say "Here is the money which must be spent by the next Congress and the next administration," but not having the courage to furnish the revenue to meet them.

Not only is the Budget unbalanced, not only is the Government spending more than it is taking in, but in another respect the Congress and the Government is practicing deceit upon the country. We will look at the money brought in since July 1 and the expenses since then and we say we are running a deficit of a particular amount. That is only a part of it. The Reconstruction Finance Corporation is spending money right along, and it is obtaining that money from the Federal Treasury, and we are not counting that in the Budget.

It is not right. If we were fair about it we would have made appropriation for every dollar for the Reconstruction Finance Corporation, and had we done it the Secretary of the Treasury would merely have gone out and sold some more short-term bonds or notes and obtained the money. That would be an honest, open obligation of the Government and would appear in our unbalanced Budget for this current year. Now, the Reconstruction Finance Corporation is selling its bonds to the Treasury Department. Where is the Treasury Department getting the money? The same

place it is getting the money to meet the appropriations for which we did not provide sufficient revenue. In the end the Government must bear that responsibility.

Our present policy of making appropriations without regard for the revenue to meet them is just as devoid of wisdom as the policy of the Osage Indian who dissipated his royalties and his income during the days of prosperity. We are following Osage Indian business methods when we create debts by passing these appropriations and not taking into consideration where the money is coming from. It is not right. We owe a greater consideration to our country.

Here is a bill where economy should be practiced. The next Congress and the next administration has pledged economy, and every one of us knows that when we get economy in government we are going to get more of it in the Department of Commerce than in probably any other department of the Government. For this reason we should not be making these appropriations for the Department of Commerce, because there is where the economy must come from more than from any other branch of the Government.

Another thing, our Democratic friends have pledged the beer bill. Certainly, when in the next Congress they modify the liquor laws they will not need as much money to enforce them, yet we are going ahead here and making appropriations for the enforcement of the liquor laws. Yesterday we were called upon by the wets not to make any appropriations for prohibition enforcement, but this is still the law, and it should be enforced, if we are to have any respect for constitutional law or government; but assuming that the next Congress passes the beer bill, assuming that the eighteenth amendment is repealed—and I do not think it can be under any circumstances during the next two years—this much is certain: There will not be so much need for these appropriations, but we are going ahead and appropriating money to perform a service which the incoming administration has pledged it is going to abandon. Therefore, that is another reason why this appropriation bill, which includes the appropriations for the Department of Justice, of all appropriation bills should be defeated.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I move that all debate on the pending motion do now close.

The motion was agreed to.

The CHAIRMAN. Does the gentleman from Kansas ask unanimous consent to withdraw his amendment?

Mr. MCGUGIN. No. I ask that it be voted on. I would like to vote on it, at least.

The CHAIRMAN. The question is on the motion of the gentleman from Kansas to strike out the enacting clause.

Mr. BLANTON. Mr. Chairman, I demand a division.

Mr. MCGUGIN. Mr. Chairman, I join in the request.

The question was taken; and on a division (demanded by Mr. BLANTON and Mr. MCGUGIN) there were—ayes 5, noes 36.

Mr. HASTINGS. Mr. Chairman, I think this matter is of sufficient importance to have tellers on it. I demand tellers.

Tellers were refused.

So the motion was rejected.

Mr. OLIVER of Alabama. Mr. Chairman, I hesitate to do so, but in keeping a promise made to the Members before this bill was taken up that if some Member who had been prevented, because of official duties, from taking advantage of the general debate would make known to me that he had any important statement to make to the committee and would state what it was, I would ask unanimous consent that he be allowed to speak out of order.

The gentleman from Texas [Mr. JONES], the chairman of the Committee on Agriculture, who has been very busy with the duties of that committee, advises me that he has a statement to make which will take not over two minutes and which he thinks the House will be interested to hear. He wishes to call attention to an exhibit prepared by the gentleman from New York [Mr. LaGUARDIA].

Mr. Chairman, I therefore ask unanimous consent that the gentleman from Texas [Mr. JONES] may address the committee for two minutes out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES. Mr. Chairman, I merely wish to call attention of the Members to a display of garments in the meeting room of the Committee on Agriculture.

The garments on exhibition are the product of the cotton given by Congress to the American National Red Cross. The raw cotton was allocated to the States in accordance with their population.

In New York City, from whence these exhibits came, the cotton was delivered to the American Red Cross who, in conjunction with the Emergency Unemployment Relief Committee, negotiated for its exchange for all cotton textiles.

The Emergency Unemployment Relief Committee, in conjunction with the Association for Improving the Condition of the Poor, then arranged for its manufacture. Only unemployed needleworkers were used in the manufacture of these garments.

Full and complete cooperation was given by the needleworkers' unions of New York City.

There are some thirty different garments manufactured, each garment in all the necessary standard sizes, and several hundred thousand of each garment manufactured. Distribution is made in New York City by the various charitable and social organizations.

The cost of manufacture was \$174,000, which was contributed from the funds of the Emergency Unemployment Relief Committee. This entailed no additional cost for the reason that only needleworkers who otherwise would have received relief were used and paid from these funds.

These garments were obtained by Representative F. H. LaGUARDIA through the courtesy of the New York Chapter of the American Red Cross, the Emergency Unemployment Relief Committee, and the Association for Improving the Condition of the Poor.

The Clerk read as follows:

For printing the weekly issue of patents, designs, trade-marks, prints, and labels, exclusive of illustrations; and for printing, engraving illustrations, and binding the Official Gazette, including weekly and annual indices, \$900,000; for miscellaneous printing and binding, \$50,000; in all, \$950,000.

Mr. CELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 82, line 21, after the semicolon, insert: "Whenever savings may be effected thereby all such printing may be contracted for through public bidding and performed under the direction of the Commissioner of Patents under such limitations and conditions as the general Committee on Printing may from time to time prescribe."

Mr. LaGUARDIA. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CELLER. Mr. Chairman, I admit the point of order is well taken and I shall withdraw the amendment if the point of order is pressed, but I should like an opportunity to make a brief statement with reference to the amendment I have offered.

If the gentleman will look at the report of the subcommittee he will find this very significant language on page 30 with reference to the printing done in the Printing Office:

The Budget estimate of \$1,100,000 for printing and binding has been reduced to \$950,000. The sum of \$1,050,000 of the estimate is for the printing of the Official Gazette and specifications. The present cost of printing patents is over \$6 per page. In 1921 it was \$3.77 per page. We invite the attention of Congress to the interesting statement made by the Commissioner of Patents relative to the cost of printing. It will be noted that he takes the position that large savings can be effected by letting this printing to outside bidders.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BLANTON. The gentleman knows that many bureaus are trying to break away from the Government Printing Office and have the privilege of letting their printing out by private contract.

It would lead to many abuses. What we want to do is to force a proper reduction in the expense of the Printing Office, and meet it in that way.

Ultimately I shall be compelled to make the point of order if the gentleman from New York [Mr. LaGuardia] does not; but if the gentleman wants to continue I will withhold it.

Mr. CELLER. Yes. I agree with the gentleman from Texas [Mr. BLANTON] that there is something wrong with the Government Printing Office, if we can believe what the Commissioner of Patents says. He testified on page 333 of the hearings that the cost in the Government Printing Office to print a page relative to the specifications is \$6; whereas he has received estimates from reputable printers and publishers that this same work under union labor and with proper safeguards can be done for \$4 a page. When you consider that the number of pages printed involves 195,000 pages, as the Commissioner of Patents testified, and multiply that by two, you have a saving of—

Mr. LaGuardia. Why \$2 instead of \$4?

Mr. CELLER. The difference is \$2 a page. As a matter of fact, I was told the total possible saving would be \$405,000. Now, we certainly should not avoid or ignore taking into consideration what the Commissioner of Patents says in that regard.

Mr. LaGuardia. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. LaGuardia. There is a reduction here of \$300,000.

Mr. CELLER. Yes; I am coming to that. I believe that as a result of the testimony given by the Commissioner of Patents and the Government Printer a reduction in the appropriations was made of \$300,000. I believe if this could be let under public bidding, with the usual safeguards of public bidding, under bonds and with union-labor requirements, the saving would be effected. Furthermore, the Government Printer could bid just like anybody else, and he could get the contract if he bids lowest.

Mr. LaGuardia. The gentleman is not getting the Shannon-Rich complex, is he?

Mr. CELLER. No; I do not wish to bring in the Shannon idea at all. It has nothing to do with this. The Secretary of Commerce took this matter up, and I shall ask permission to put into the RECORD correspondence that passed between the Public Printer, Mr. Carter, and the Secretary of Commerce, Roy D. Chapin. There are three brief letters which I shall ask unanimous consent to put into the RECORD, and I shall only read three paragraphs now. If authority were given the Public Printer so that he would do this work as cheaply as it may be done outside, he should do it, or in lieu thereof he should avail himself of the powers that he now has and give that work outside.

He has the power, subject to the approval of the Joint Committee on Printing, to do this work under public bidding, with the safeguards as to union labor and a bond for completion of the work, and so forth.

[Here the gavel fell.]

Mr. Chairman, I ask unanimous consent to proceed for two minutes, and I shall then withdraw the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. The Public Printer, in a letter to the Commissioner of Patents under date of June 14, 1932, said:

Thanking you for this information at your earliest convenience, inasmuch as I intend to give serious consideration to having the work done by contract if any substantial saving can be made thereby other than a possible saving resulting from the better preparation of copy by the Patent Office.

Then the Secretary of Commerce investigated the matter, and he had this to say in a letter to the Public Printer under date of September 16, 1932:

An investigation made before the receipt of your letter of June 14 indicated that at least \$200,000 per year could be saved if the Patent Office printing were done by private contract. An investigation made since the receipt of said letter shows that the saving will be much greater, probably double that amount.

Under date of November 25, 1932, the Secretary of Commerce, Mr. Chapin, in a letter to the Public Printer said:

You have written the commissioner that you have the power under the present law and will be willing to award the contract

to a private contractor if we can show a substantial saving. We have shown this. In our views, \$400,000 is a substantial saving. It is therefore believed that you should either perform the work at a reasonable price compared with private printers or make good your offer to have the work done privately, since your condition that a substantial saving be effected has been completely met.

I think I have made my point clear, and I withdraw my amendment.

I herewith insert the correspondence in question:

UNITED STATES GOVERNMENT PRINTING OFFICE,
Washington, D. C., June 14, 1932.

MY DEAR MR. COMMISSIONER: I have your letter of June 9, refusing to furnish this office any information concerning the investigation which you say has convinced you that the Patent Office could save at least \$200,000 a year out of its appropriation by having its printing done under private contract instead of at the Government Printing Office. In view of the law (act of February 28, 1929, 45 Stat. 1400) authorizing the Public Printer to have printing produced elsewhere under contracts made by him, I believe I am entitled to the information which you say is in your possession in order that the best interests of the Government may be protected.

In any event I would like to know whether the estimated saving of \$200,000 contemplates furnishing better copy to the private contractor than has been supplied to the Government Printing Office by the Patent Office for many years. You may recall that about two years ago I offered to make a reduction of approximately \$50,000 annually in the charges for Patent Office printing if your office would prepare copy for specifications so that it could be handled in the same manner as copy furnished to this office by other establishments of the Government.

I would also like to be advised, in order to determine if it is practical to have Patent Office printing done by contract, whether it would be agreeable to the Patent Office to have the printing of patent specifications or the Gazette done elsewhere than in the city of Washington. Do you deem it essential that this work shall be done in or near Washington and would you be agreeable to having it awarded to the lowest bidder capable of doing the work, wherever his printing establishment might be located?

Thanking you for this information at your earliest convenience, inasmuch as I intend to give serious consideration to having the work done by contract if any substantial saving can be made thereby other than a possible saving resulting from the better preparation of copy by the Patent Office.

Respectfully yours,

GEORGE H. CARTER,
Public Printer.

HON. THOMAS E. ROBERTSON,
The Commissioner of Patents, Washington, D. C.

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, September 16, 1932.

HON. GEORGE H. CARTER,
Public Printer, Washington, D. C.

MY DEAR MR. CARTER: Your letters of June 14 and August 16, directed to the Commissioner of Patents and referring to printing for the Patent Office, have been referred to me.

An investigation made before the receipt of your letter of June 14 indicated that at least \$200,000 per year could be saved if the Patent Office printing were done by private contract. An investigation made since the receipt of said letter shows that the saving will be much greater, probably double that amount.

In this connection I am transmitting a photostatic copy of a proposition in writing made by the Polygraphic Co. of America to print patent specifications at a cost not to exceed \$4.25 per page and the Official Gazette at a cost of \$10 per page. This, based upon the number of pages (191,933) printed in the fiscal year ending June 30, 1932, would effect a saving of \$330,700 for printing the specifications and \$71,500 for printing the Official Gazette; a total saving of at least \$400,000.

In view of the fact that your letter states that you are now authorized to have the printing done under private contract instead of at the Government Printing Office (act of February 28, 1929, 45 Stat. 1400), and in view of the last paragraph of your letter where you state you will give "serious consideration to having the work done by contract if any substantial saving can be made thereby other than a possible saving resulting from the better preparation of copy of the Patent Office," I am transmitting this offer of the Polygraphic Co. for your consideration.

Incidentally, I might add that the Polygraphic Co. agrees to effect this saving without the necessity of the Patent Office "furnishing better copy to the private contractor than has been supplied to the Government Printing Office by the Patent Office for many years," as suggested in the second paragraph of your letter. In other words, the Polygraphic Co. would relieve the Patent Office of the necessity of specially preparing "copy," thus effecting a further saving of \$30,000. In addition, the president of the Polygraphic Co. advises the commissioner orally that he has no doubt that he will be able to make a further reduction after the first year's operation.

As I understand it, the Polygraphic Co. would, and any other company to whom the contract might be awarded should, guarantee their fulfillment of the contract even to the extent of fur-

nishing an indemnifying bond. The photolithographing contract of the Patent Office with the Polygraphic Co. last year amounted to \$140,000. The work was uniformly delivered on time and the quality was excellent.

Sincerely yours,

ROY W. CHAPIN.

NOVEMBER 25, 1932.

HON. GEORGE H. CARTER,
Public Printer, Washington, D. C.

MY DEAR MR. CARTER: Receipt is acknowledged of your letter of November 15 relative to the Patent Office printing.

1. Your letter suggests that the Commissioner of Patents has not submitted to you the facts and figures which would reply to your letter requesting the same. While it is true the Commissioner of Patents has not directly given you the facts, it was the intention that my letter of September 16 was to be considered as a reply to your letter to the commissioner, and, in fact, my letter specifically referred to your letters of June 14 and August 16.

2. My letter of September 16 gives you full information regarding the question of printing. The Commissioner of Patents does not know to what you have reference when you mention the "new methods of printing" or the "new methods of procedure" which will enable the Polygraphic Co. to effect a saving of \$400,000 referred to. In fact, the commissioner has had no "negotiations" with the Polygraphic Co. concerning the matter under discussion other than what has been frankly set forth in the information conveyed either in or with my letter of September 16.

3. Before the Polygraphic Co. had submitted its offer of August 1, this office authorized the Commissioner of Patents to have printed two of the patents already printed by your office, such work being done from the same files as were used by your office. (The work was not done by the Polygraphic Co.) When the work was done the commissioner was furnished with an itemized statement showing the cost of the composition, the cost of proof-reading, the cost of correction, the cost of type metal, the cost of paper, etc. It was manifest from this that there would be a saving of over \$300,000 on your charges for last year.

4. The offer of the Polygraphic Co. was not submitted by me to you as one to be necessarily accepted, but merely for the purpose of showing that the work could be done by an outside contractor for at least \$400,000 less than you were doing it. In fact, the last paragraph of my letter of September 16 made it very evident that if the work were done by a private contractor the contract might be awarded to some other contractor than the Polygraphic Co. This department (including the Patent Office) was and is still willing to accept the offer in your letter of June 14 wherein you stated that you would give "serious consideration to having the work done by contract if any substantial saving can be made thereby other than a possible saving resulting from the better preparation of copy of the Patent Office." In other words, if in your judgment you decided to take advantage of the fact that the Patent Office could save at least \$400,000 by having the printing done by private contract and should advertise for proposals, the contract would as a matter of course go to the lowest responsible bidder. Certainly the Polygraphic Co. could get the bid only if it were the lowest responsible bidder and would furnish the bond referred to in the last paragraph of my letter of September 16.

5. You are entirely correct in your belief that the Patent Office does not wish its original records to leave the city, and therefore agrees with your conclusion that it would be better not to accept the trial offer of the Polygraphic Co. Nevertheless you are under a misapprehension in believing that the Patent Office does not now permit private contractors to use its secret records in advance of the printing of the patent. Every drawing as soon as it is filed is sent out of the Patent Office to a private photographer to be photographed. Moreover, for years there have been two or three private contractors who are permitted to withdraw our original specifications and drawings, while the applications are still pending, to make copies. There would, therefore, be no objection to awarding the printing contract to a private printer, since he would be under bond for the faithful performance of his duties and would be required to make the same arrangements for secrecy as are now made in your office. In any event, it is to be noted that the Polygraphic Co. agrees to perform the work in this city.

6. Your letter states that in making this estimated saving of \$400,000 we utterly ignored the fact that your letter of August 16 advised that the total charges for printing would be reduced by at least \$50,000, and possibly by another \$50,000, or \$100,000 in all. This was not ignored but was given full consideration. Even if it is assumed that your charges for the first four months of the present fiscal year have reflected this saving, two factors must not be overlooked, to wit: (1) That the saving is made at a cost of \$30,000 extra expense within the Patent Office; and (2) that even if your bills for the last four months having shown a saving of \$50,000, or even \$100,000, there would still remain a saving of at least \$400,000 on your charges, as nearly as we can estimate from your bills as rendered for July, August, September, and October of the present year, this saving being based upon the offer of \$4.25 per page of specification and \$10 per page of Official Gazette.

7. It would seem appropriate to mention at this time that it is difficult for the department or the Patent Office to ascertain definitely what your charges are, except as to totals. Would it not be feasible for you to indicate in your future bills the number of pages printed and the rate per page?

You have written the commissioner that you have the power under the present law and will be willing to award the contract

to a private contractor if we can show a substantial saving. We have shown this. In our views, \$400,000 is a substantial saving. It is therefore believed that you should either perform the work at a reasonable price compared with private printers or make good your offer to have the work done privately, since your condition that a substantial saving be effected has been completely met.

Sincerely yours,

ROY D. CHAPIN,
Secretary of Commerce.

Mr. OLIVER of Alabama. Mr. Chairman, it is interesting to read the hearings relative to this matter. It was first called to the attention of the committee by the Secretary of Commerce. After a hearing with the Director of the Bureau of Patents in respect to the same subject, the committee felt it was but fair to send for the Public Printer, and after the hearings were closed we had a very interesting hearing with the Public Printer, and in justice to him, I should say that he seemed very willing to cooperate fully with the Director of the Bureau of Patents to effect savings in this item. When we called his attention to what the Budget had estimated for 1934, even after the director had made the reductions he thought were proper, the Public Printer said to the committee in effect, "I think you would be safe in taking \$150,000 more from that appropriation, since we can do the work for that amount." Based on what the Public Printer stated, the committee reduced the estimate submitted by the Budget \$150,000. So, really, the conferences led to a saving of approximately \$400,000.

Mr. CELLER. Will the gentleman yield for a question?

Mr. OLIVER of Alabama. Yes.

Mr. CELLER. I believe the Commissioner of Patents will tell you that unless something is done in this regard and along the lines I have suggested, they may not be able to come within the appropriation you have made, since you have made deductions of almost \$400,000.

Mr. OLIVER of Alabama. As I have just stated to the gentleman, the Public Printer, who knows what this printing should cost, estimates that we are safe in making the reduction recommended.

The amendment was withdrawn.

The Clerk read as follows:

Government fuel yards: For the purchase and transportation of fuel; storing and handling of fuel in yards; maintenance and operation of yards and equipment, including two motor-propelled passenger-carrying vehicles for inspectors, purchase of equipment, rentals, and all other expenses requisite for and incident thereto, including personal services in the District of Columbia, the unexpended balance of the appropriations heretofore made for these purposes is reappropriated and made available for such purposes for the fiscal year 1934, and for payment of obligations for such purposes of prior years, and of such sum not exceeding \$500 shall be available to settle claims for damages caused to private property by motor vehicles used in delivering fuel: *Provided*, That all moneys received from the sales of fuel shall be credited to this appropriation and be available for the purposes of this paragraph: *Provided further*, That the term "fuel" wherever used in this appropriation shall be understood to include fuel oil: *Provided further*, That the requirements of sections 3711 and 3713 of the Revised Statutes (U. S. C., title 40, sec. 109) relative to the weighing of coal and wood and the separate certificate as to the weight, measurement, or quantity of coal and wood purchased shall not apply to purchases by the Government fuel yards at free-on-board destinations outside of the District of Columbia;

Mr. GOSS. Mr. Chairman, I reserve a point of order on the proviso beginning in line 16, in order to get an explanation of the provision from the gentleman from Alabama.

Mr. OLIVER of Alabama. Mr. Chairman, this is a proviso that has been carried in the bill for a number of years.

Mr. GOSS. This proviso seems to exempt the weighing of coal and wood purchased by the Government fuel yards at free-on-board destinations outside of the District of Columbia. Why should we do this?

Mr. OLIVER of Alabama. Inasmuch as they buy fuel in such large quantities, it has been found feasible to do this, since the Director of Mines is charged with the duty of supervising all purchases and making all tests.

Mr. GOSS. There is no chance of the Government's being short weighted?

Mr. OLIVER of Alabama. We understand it is watched very carefully and that this is an economical and efficient way of conducting the large purchases of the Government through this agency.

Mr. BRIGGS. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. BRIGGS. Does the Bureau of Mines engage in any particular investigational work here with reference to coal? I notice a vast movement of fuel, it seems to me, in wagons of the Bureau of Mines through the streets of Washington.

Mr. OLIVER of Alabama. That is the delivery of coal to the various departments.

Mr. BRIGGS. They simply use the wagons of the Bureau of Mines for that purpose?

Mr. OLIVER of Alabama. They purchase the coal for the different departments and deliver it as the departments may need it.

Mr. GOSS. I would ask the gentleman to look into this item at some time, because we may easily get short weighted.

Mr. OLIVER of Alabama. We have gone very fully into the matter with the Director of Mines, and he believes that this fund is economically expended. We took some money from the revolving fund, because we did not feel the full amount was required for another year. We did this in order to require the departments to pay more promptly for fuel when delivered, since appropriations are carried for that purpose.

The Clerk read as follows:

Helium plants: For helium production and conservation, including acquisition of helium-bearing gas land or wells by purchase, exchange, lease, or condemnation, or interest in such land or wells, the purchase, lease, construction, or modification of plants, pipe lines and accessories, compressor stations, camp buildings, and other facilities for the production, transportation, storage, and purification of helium and helium-bearing gas, including acquisition of sites and rights of way therefor, by purchase, lease, or condemnation, and including supplies and equipment, expenses of travel and subsistence, maintenance and operation of motor-propelled, passenger-carrying vehicles for official use in field work, and all other necessary expenses, including not to exceed \$6,560 for personal services in the District of Columbia, and including the payment of obligations incurred under the contract authorization carried under this heading in the Department of Commerce appropriation act for the fiscal year 1932, the unexpended balances in the appropriation "Helium Plants, Bureau of Mines, 1933," less the sum of \$50,000, are hereby continued available for the fiscal year 1934: *Provided*, That no part of the appropriation herein made may be expended except with the approval of the President: *Provided further*, That the acquirement of leases, sites, and rights of way under terms customary in the oil and gas industry, including obligations to pay rental in advance and to pay damages to lands, crops, or structures arising out of the Government's operations is authorized: *Provided further*, That should valuable products other than helium-bearing gas be discovered in wells acquired or drilled for helium-bearing gas under this appropriation the Secretary of Commerce is authorized to provide for the disposal of said wells or the products therefrom, by the contracts under which the property is acquired, or otherwise, in accordance with the interests of the Government therein and in the manner which, in his opinion, is most advantageous to the Government.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word.

Is the Government now getting from its own plants all the helium that it requires for the Army and Navy?

Mr. OLIVER of Alabama. Yes.

Mr. BRIGGS. And the Government does not get any helium from any other source?

Mr. OLIVER of Alabama. No.

Mr. BRIGGS. Is there any other helium production on a commercial scale, other than what the Government produces?

Mr. OLIVER of Alabama. Not to my knowledge.

The Clerk read as follows:

Total, Bureau of Mines, \$1,464,300.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the period in the last line. Mr. Chairman, we have reached the conclusion of the bill for the Department of Commerce. I think it might be well to review the growth of that department briefly. I have prepared a tabulation showing its personnel and its appropriations for the years 1913, 1922, and 1932.

For instance, in 1913, in the beginning of the activity of this department, the personnel was 8,783 and the appropriation was \$11,345,088.

In 1922 the department had grown to the extent that it employed a personnel of 11,355 and the appropriation was \$20,012,907.

In 1932 the personnel had risen to 20,912 and the appropriation was \$54,716,230, a jump of nearly nine times in the personnel and an increase in the appropriation of five times over 1913.

Now, the appropriations from that point have dropped—1932 was the peak. The appropriations for 1933 dropped to \$44,784,408. The appropriations recommended in this bill for the next fiscal year are down to \$36,605,465.

I think it is interesting for the House to know that with respect to that department the committee has shown a disposition to work in harmony with the economy plan.

Mr. STAFFORD. Will the gentleman yield?

Mr. GRIFFIN. I will.

Mr. STAFFORD. In the gentleman's study, has he been able to ascertain in which bureau of the Department of Commerce there has been any marked increase, or is the increase general to all the bureaus? The gentleman's figures are rather startling. The increase from 1913 to 1922 might have been expected, because of the war activities, and that is only \$9,000,000, but from 1922 to 1932 they increase nearly 200 per cent.

In the consideration of the bill, I recently pointed out that the appropriations for the Bureau of Standards might be decreased without doing violence to that bureau by a cut of four or five hundred thousand dollars. In what bureaus have the exceptional increases been made?

Mr. GRIFFIN. I have made an analysis of the various bureaus, and I will put it in my remarks in answer to the gentleman.

In connection with this, I want to point out to Members that in the RECORD of January 23, page 2329, I published an analysis for the Department of State for the same years, showing the growth of that department and its personnel.

In 1913, the personnel for the Department of State was 213 and the appropriation \$325,960. In 1922 the personnel had jumped to 644 and the appropriations to \$1,002,675. In 1932 the personnel was 851, and the appropriation was \$2,094,200.

Mr. DYER. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. DYER. Whose fault was it that these increases were made? Was it not the fault of the Committee on Appropriations? It gave them these additional appropriations from year to year.

Mr. GRIFFIN. The Appropriations Committee has tried to follow the law.

Mr. DYER. But sometimes the Committee on Appropriations appropriates for things not authorized.

The following is the table referred to by Mr. GRIFFIN:

Department of Commerce—Appropriations and personnel for years 1913, 1922, 1932

Bureau	1913		1922		1932	
	Personnel	Appropriations	Personnel	Appropriations	Personnel	Appropriations
Office of Secretary.....	139	\$730,830	183	\$690,300	170	\$1,477,160
Foreign and Domestic Commerce.....	108	176,242	595	1,228,510	1,902	5,334,122
Census.....	1,376	1,251,886	1,664	1,000,000	4,043	6,270,580
Steamboat Inspection Service.....	262	534,740	366	990,790	420	1,395,120
Navigation.....	95	163,060	230	316,922	192	496,280
Standards.....	312	689,410	968	1,507,360	1,035	2,874,570
Lighthouses.....	5,624	5,563,910	5,909	8,856,790	7,814	12,082,410
Coast and Geodetic Survey.....	347	1,036,020	978	2,120,690	1,279	3,075,933
Fisheries.....	398	944,790	462	1,244,180	1,193	2,905,540
Bureau of Corporations.....	127	254,200	-----	-----	-----	-----
Aeronautics Branch.....	-----	-----	-----	-----	272	10,362,300
Radio division.....	-----	-----	-----	-----	189	646,700
Patent Office.....	-----	-----	-----	-----	1,425	5,516,750
Mines.....	-----	-----	-----	-----	978	2,278,765
Increase of compensation.....	-----	-----	-----	2,048,365	-----	-----
Total.....	8,788	11,345,088	11,355	20,012,907	20,912	54,716,230

Appropriations for 1933..... \$44,784,408
Appropriations recommended in fiscal year 1934..... 36,605,465

The Clerk read as follows:

Printing and binding: For printing and binding for the Department of Labor, including all its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, \$225,000.

Mr. GARBER. Mr. Chairman, I move to strike out the last word.

The report of the subcommittee of the House Appropriations Committee on the pending bill making appropriations for the Departments of State, Justice, Commerce, and Labor for the fiscal year 1934 reflects a conscientious performance of duty by each Member and a determined effort to reduce the cost of Government, as far as it is possible to do so without serious injury to the service.

I am sure the members of this committee appreciate the services of the distinguished chairman and senior ranking member on this committee in being always willing to explain fully in detail the considerations determining their conclusions reached. In its report upon this bill, however, the following reference without clarifying statement is vague and indefinite.

Referring to the Court of Claims:

We are persuaded that the next Congress might well consider limiting the authority of the court as to some of the cases referred to them for trial to a finding of and a report on the facts.

The Court of Claims is not a court of reference. Its jurisdiction is not that of a referee or master in chancery. The Court of Claims is a court of original jurisdiction. Cases are not referred to the Court of Claims for trial, but are initiated and filed in that court by petition and procedure similar to the other civil courts. It is true that neither the ward of the Government nor the citizen can sue the Government without its permission, but that consent or permission of a sovereign is not a matter of favor, but is embedded in the morality of the duty of the Government to recognize the obligation of contract in the same degree that it requires the recognition of such obligation from the ward or citizen. In other words, it is just as much the duty of the Government to fulfill its obligations as it is the duty of the citizen.

Before the establishment of the Court of Claims those having claims against the Government could only be heard by Congress itself. This was recognized as most inefficient and cumbersome machinery to administer justice, even to the point of being almost a denial of such administration to the citizen.

For the purpose of relieving Congress of such grave responsibility and affording the citizen and the Government with a judicial agency, the Court of Claims was established by Congress in 1855 and by subsequent acts given a wide and varied jurisdiction, including all claims against the United States Government, with the exception of tort and pension claims. It has jurisdiction to hear and determine any claim against the Government founded upon any law of Congress or upon any regulation of an executive department or upon any contract, express or implied, or upon any treaty with the Government of the United States.

Originally it was a court merely in name, for its power extended only to the preparation of bills to be submitted to Congress. In 1863 the number of judges was increased from three to five. Its jurisdiction was enlarged, and instead of being required to prepare bills for Congress it was authorized to render final judgment, subject to appeal to the Supreme Court and to an estimate by the Secretary of the Treasury of the amount required to pay each claim. The Supreme Court, however, held that the provision of an estimate was inconsistent with the finality essential to judicial decisions, and Congress repealed that provision, since which time the Court of Claims has exercised all the functions of a court as exercised by the other inferior courts authorized by Congress.

The suggestion of our committee that—

We are persuaded that the next Congress might well consider limiting the authority of the court as to some of the cases referred to them for trial to a finding of and a report on the facts—

is not supported by any facts in the hearing or stated in the report. No reasons are given, no consideration is stated which persuaded the committee to make such suggestion,

and we do not believe that mature consideration will justify any such action.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. GARBER. Mr. Chairman, I ask unanimous consent to continue for five minutes.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Mr. Chairman, there will be several roll calls this afternoon, and this is Saturday afternoon. I think we ought to get along with the bill.

Mr. DYER. Mr. Chairman, I ask unanimous consent that the gentleman may have three minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. GARBER. Yes.

Mr. DYER. In the cases that the gentleman speaks of, why could not the Congress authorize the district courts to try them? We are going to have a surplus of district judges in this country very shortly, due to the fact that prohibition is going to be repealed. Why not give those district judges something to do and transfer jurisdiction to them, instead of creating so many other courts?

Mr. GARBER. Mr. Chairman, that is entirely within the jurisdiction of Congress.

The court was established to relieve Congress, to protect the Government by regular investigation, and to protect claimants by affording them a certain mode of examining and adjudicating their claims.

When the court has ascertained and determined what valid claims a plaintiff may have against the defendant, its function and power is ended. It can issue no execution to enforce the payment of the amount so ascertained. Plaintiffs must then appeal to the sovereign for an appropriation to pay the claim ascertained by the court to be due. This appeal must be made to the legislative department of the Government. It rests with the legislative branch of the Government; and if Congress refuses to appropriate the money to pay the judicially ascertained claim, the power does not reside in any court to enforce the payment thereof, and there is no other forum in which the plaintiffs can seek redress.

In commenting upon the court, the distinguished chairman took occasion to say that the aggregate of the pending claims, including interest and principal, amounted to \$4,055,312,696.59, as shown in the following table:

Tax cases:		
675 actual claims.....	\$66,097,106.65	
Estimated interest.....	14,688,245.92	
		\$80,785,352.57
Patent cases:		
41 actual claims.....	238,347,640.08	
Estimated interest.....	52,966,142.24	
		291,313,782.32
Indian cases:		
58 actual claims.....	1,072,006,278.34	
25 estimated claims.....	354,000,000.00	
Estimated interest.....	2,112,449,581.39	
		3,538,455,859.73
General and special jurisdictional cases: 777 actual claims.....		
		144,757,701.97
		4,055,312,696.59

The implication, especially to the average layman, is that the court was being resorted to for the collection of claims against the Government which were unwarranted and unjustifiable in the jurisdiction which it exercises.

The distinguished chairman should have accompanied such statement with the percentage of results in judgments rendered and collections made, and the aggregate amount of claims pending would not be so terrifying. In his annual report for the fiscal year ending June 30, 1932, the Attorney General stated:

The total amount of judgments rendered against the Government during the year was \$5,503,534.84 in cases in which the recovery sought was \$470,513,986.48. The percentage of recovery for the current year was approximately 1 per cent of the amount claimed.

This means that the stupendous aggregate amount of claims pending in the Court of Claims in excess of \$4,000,-

000,000, so far as practical results in the form of judgments are concerned, would amount to \$40,000,000, and these claims include claims pending over a period of 10 years. The records of the court show that in all the suits filed in the court from 1920 to 1932, the aggregate amount claimed was \$12,678,687,341, while the net amount on all of such claims during said period of 12 years is \$75,190,563.

RECORD IN SUPREME COURT

From October, 1925, to November 1, 1932, inclusive, there were filed in the Supreme Court of the United States 332 petitions for writs of certiorari to review the judgments of the Court of Claims. The Supreme Court denied certiorari in 246 cases and granted 83. There are 3 cases pending, upon which no action has been taken. Of the 83 cases in which writs were granted, 17 are now pending in the Supreme Court, 43 were affirmed by the Supreme Court, and 33 have been reversed. In the 43 cases in which the Court of Claims was affirmed, 36 were decided by the Court of Claims in favor of the Government and 7 in favor of the plaintiff. In the 33 cases reversed by the Supreme Court, 23 had been decided by the Court of Claims against the plaintiffs and 7 had been decided by the Court of Claims against the Government. The 3 remaining cases which were reversed by the Supreme Court represent judgments in the Court of Claims for the plaintiff in which the Supreme Court increased the judgments for plaintiff. It will be seen from the above that the great majority of cases in which the Court of Claims is reversed, it had decided in favor of the United States and that over a period of seven years the Court of Claims has been reversed only seven times in cases which it decided against the United States.

We have 559 tax cases, 9 ship cases, 31 patent cases, 45 cotton linter cases, 5 railroad cases, 84 Indian cases under special jurisdictional acts, 27 cases for dependency allowances, 189 miscellaneous, and 416 congressional cases, for a total of 1,554.

Mr. OLIVER. Can you follow that with a statement of the cases disposed of during the last fiscal year?

Chief Justice BOOTH. Number of cases disposed of by the court from July 1, 1931, to June 30, 1932, 698.

In accordance with the annual report to Congress, dated December 5, 1932, it appears that for the year ended December 3, 1932, there were 463 cases disposed of, either by dismissal, judgments for plaintiffs or judgments for defendant.

Amount claimed	\$51,071,743.46
Judgments for plaintiffs	4,635,526.41
Judgments for defendant (cost of printing)	8,763.34
Judgments on counterclaims	2,090,274.58

We submit that this record of judicial service by the Court of Claims will favorably compare with that of any of the other inferior courts established by Congress.

The Clerk read as follows:

EMPLOYMENT SERVICE

To enable the Secretary of Labor to foster, promote, and develop the welfare of the wage earners of the United States, including juniors legally employed, to improve their working conditions, to advance their opportunities for profitable employment by regularly collecting, furnishing, and publishing employment information as to opportunities for employment; maintaining a system for clearing labor between the several States; cooperating with the Veterans' Administration to secure employment for veterans; cooperating with and coordinating the public employment offices throughout the country, including personal services in the District of Columbia and elsewhere; traveling expenses, including expenses of attendance at meetings concerned with the work of the employment service when specifically authorized by the Secretary of Labor; supplies and equipment, telegraph and telephone service, and miscellaneous expenses; \$734,865, of which amount not to exceed \$46,750 may be expended for personal services in the District of Columbia: *Provided*, That no part of this appropriation shall be expended for the establishment or maintenance of any employment office unless suitable space therefor can be found in a Federal building or is furnished free of rent by State, county, or local authority, or by individuals or organizations: *Provided further*, That no part of this appropriation shall be used to pay any salary in any field employment office at an annual rate in excess of \$2,000, except one director in each State whose salary shall not exceed \$3,500, and 23 managers of the veterans' employment service whose salary shall not exceed \$2,400 each.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word to ask a question in reference to the Employment Service. I read the concluding proviso under Employment Service:

That no part of this appropriation shall be used to pay any salary in any field employment office at an annual rate in excess of \$2,000, except one director in each State whose salary shall not exceed \$3,500, and 23 managers of the veterans' employment service whose salaries shall not exceed \$2,400 each.

Does this take care of all the offices that are now open in the employment service?

Mr. OLIVER of Alabama. I can not say that it does. This is the Budget estimate as submitted to us. The gentleman will recall that the House only recently approved a supplemental estimate sent up by the President, and it may be that some of these offices can not be kept open with the amount included in the original estimate; and that if it is important to keep them open in 1934, the next President would have to send up what has been done this year, namely, a supplemental estimate.

The Clerk read as follows:

UNITED STATES HOUSING CORPORATION

Salaries and expenses: For officers, clerks, and other employees, and for contingent and miscellaneous expenses, in the District of Columbia and elsewhere, including blank books, maps, stationery, file cases, towels, ice, brooms, soap, freight and express charges, communication service, travel expense, printing and binding not to exceed \$150, and all other miscellaneous items and expenses not included in the foregoing and necessary to collect and account for the receipts from the sale of properties and the receipts from the operation of unsold properties of the United States Housing Corporation, the Bureau of Industrial Housing and Transportation, property commandeered by the United States through the Secretary of Labor, and to collect the amounts advanced to transportation facilities and others; for payment of special assessments and other utility, municipal, State, and county charges or assessments unpaid by purchasers, and which have been assessed against property in which the United States Housing Corporation has an interest, and to defray expenses incident to foreclosing mortgages, conducting sales under deeds of trusts, or reacquiring title or possession of real property under default proceeding, including attorney fees, witness fees, court costs, charges, and other miscellaneous expenses; for the maintenance and repair of houses, buildings, and improvements which are unsold; in all, \$13,195: *Provided*, That no person shall be employed hereunder at a rate of compensation exceeding \$4,000 per annum, and only one person may be employed at that rate: *Provided further*, That no part of the appropriations heretofore made and available for expenditure by the United States Housing Corporation shall be expended for the purposes for which appropriations are made herein.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, I wish to express to the Members of the House, on behalf of the committee having this bill in charge, our deep appreciation for their splendid cooperation, which alone made possible the expeditious consideration of the bill. It has been my purpose to ascertain in advance as far as possible what items the Members of the House were interested in discussing; and recognizing the value of intelligent discussion, I have sought to secure adequate time therefor as to such items. I know the House will understand that what I may state as my individual opinion in relation to the action taken on certain amendments is not intended as a criticism of the membership of the House but simply to submit for their further consideration my views relating thereto. Take the vote yesterday on the amendment offered by the distinguished gentleman from Ohio [Mr. COOPER] relating to the Federal prison in Pennsylvania. While time will not permit an oral discussion, I ask leave to insert as a part of and at the close of my remarks a prepared written statement, which the Members of the House are urgently requested to read.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. You will conclude, I believe, after reading the facts respectfully submitted, that the committee has departed, perhaps unconsciously, from a well-defined and widely approved policy only recently adopted by almost a unanimous vote of the Senate and House in reference to prison industries. Unwittingly you are discriminating in favor of one single class of industry and against other industries equally if not more deserving, and which the original act, passed in May, 1930, very wisely and properly warned against. The gentleman from Missouri [Mr. DYER] inserted in last Thursday's RECORD a splendid statement by the Director of the Bureau of Prisons, in which will be found a very convincing and in-

forming discussion of our Federal industrial system now in vogue at our penal institutions in strict conformity to the express mandates of Congress. It is my hope that the House may correct this mistake of the committee.

The other two matters of which I wish to speak are the two amendments that were adopted by the committee and which, in my judgment, will seriously impair, if not prevent, any effective enforcement of the national prohibition law. I recognize how sharp differences may exist between Members as to the amount of the appropriation that should be now carried, and as to that I will not further complain; but I respectfully submit that when you have fixed the appropriation for this service, you should not make ineffective the enforcement of the law by imposing limitations which you have repeatedly heretofore rejected and disapproved. I concede absolute sincerity of opinion to those who entertain strong convictions against national prohibition; but, as I argued yesterday, so long as it remains in the Constitution, it should be enforced, and certainly those charged with the solemn and difficult duty of enforcement should not have limitations imposed on them which for years your committee has been informed will seriously interfere with the effective enforcement of the law.

As to the two amendments, one offered by the gentleman from Massachusetts [Mr. TINKHAM], the other by the gentleman from Georgia [Mr. TARVER], I feel that many Members have not had the benefit of the information supplied to the committee by the officials charged with the enforcement of the law in question. They have uniformly opposed these limitations as unwise, and Congress has previously given approval to the views thus expressed by our officials.

The amendment offered by the gentleman from Massachusetts [Mr. TINKHAM], which seeks to prevent any part of the appropriation being used for wire tapping, has been before the House a number of times. After exhaustive discussion the House has regularly voted it down. You have wisely, I think, heretofore vested broad discretion in those charged with the duty of administering this fund. I make bold to assert that if you have had occasion to inquire as to how during the past few years the funds have been administered by the Department of Justice, I am confident you have found no just ground for criticism.

You know the members of the Committee on Expenditures. They differ widely on the question of national prohibition; and one of the members of this committee had strongly favored the Tinkham limitation, up to about two years ago, but after the Attorney General appeared before the committee and submitted in executive session a full and complete report of the cases in which wire tapping had been employed and gave assurance of further definite regulations he would impose to prevent abuses, the full committee were deeply impressed thereby, and little, if any, objection has been heard since from that committee about the matter so long as they felt it was carefully guarded by strict regulations.

Mr. CONNERY. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. CONNERY. Regardless of how any Member of the House may feel on the question of prohibition, is it not the general opinion throughout the country that wire tapping is a bad practice; it is unconstitutional, aside from the prohibition side of it? I mean with reference to other offenses.

Mr. OLIVER of Alabama. I am very glad the gentleman asked that question because I hope he will permit me to place before him full information as to cases in which it has been resorted to; if so, it is my firm conviction that the gentleman will be convinced that it has only been resorted to in extreme cases against the worst type of criminals that this country has ever known, and who could never probably have been detected otherwise.

Mr. DYER. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes; I yield.

Mr. DYER. They have resorted to this in States where the people have expressly legislatively prohibited it in the prosecution of State offenses.

Mr. OLIVER of Alabama. And in those States where the question has come before the courts of last resort I can show the gentleman opinions of such courts, to the effect that the statute of a State prohibiting wire tapping is not to be construed as making it unlawful for an official who may wire tap for the purpose of preventing the unlawful use of a public wire. I called attention to that some time since.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. JOHNSON of Texas. Has the Supreme Court passed upon the question of wire tapping?

Mr. OLIVER of Alabama. It has, and, by a majority vote, upheld it.

Mr. BECK. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. BECK. Did the Supreme Court uphold wire tapping, or was not the decision of the Supreme Court merely that testimony acquired in that way could not be excluded because of the method whereby it was acquired?

Mr. OLIVER of Alabama. The gentleman is correct.

Mr. BLANTON. Well, that upholds it.

Mr. OLIVER of Alabama. I thought that was really what the gentleman from Texas [Mr. JOHNSON] had in mind, in asking the question, namely, whether evidence thus procured could be offered in court.

Mr. BECK. That is a somewhat different question than stating that wire tapping was legal.

Mr. OLIVER of Alabama. The gentleman from Pennsylvania has correctly interpreted the decision of the court to which reference was made, and I am glad to correct my statement so as to make it conform to his.

The Attorney General, who will soon retire, who appeared before the Committee on Expenditures and made a statement to which I have referred, and you will find statements from him in the last two hearings before our committee about this practice, and it is his opinion that you might seriously interfere in some cases with the proper enforcement of law against dangerous criminals by imposing a limitation like this on the appropriation.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. DYER. Mr. Chairman, reserving the right to object—

Mr. LAGUARDIA. Reserving the right to object—

Mr. DYER. I couple with that the request that the gentleman from Pennsylvania [Mr. BECK] may proceed for 10 minutes after the gentleman from Alabama has finished.

Mr. OLIVER of Alabama. Mr. Chairman, I will withdraw my request.

Mr. LAGUARDIA. Mr. Chairman, I ask for recognition. I move to strike out the last word.

Mr. DYER. Mr. Chairman, the remarks of the gentleman from Alabama [Mr. OLIVER] are very instructive. I do hope that he may be able to proceed for five minutes. The gentleman has withdrawn his request under the circumstances.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that the gentleman from Alabama may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. OLIVER of Alabama. I hope the House understands that I will interpose no objection to others speaking.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. COCHRAN of Missouri. I am glad the gentleman has referred to the hearings before the committee of which I am chairman and at which the Attorney General appeared with his assistant. There is another phase of wire tapping that was not brought out at that hearing. I, too, agree with the gentleman from Alabama that the Attorney General does not want any abuse as far as wire tapping is

concerned; but I may say to the gentleman from Alabama that when this matter is analyzed carefully it will be found that the wires of reputable citizens are tapped in connection with the tapping of the criminals' wires, and there might be listening-in upon conversations that might be held between a client and his attorney. The gentleman would not approve of that.

Mr. OLIVER of Alabama. No. Under the very stringent rules and regulations laid down by the Attorney General following the hearing before the gentleman's committee it is impossible for anyone now to wire tap until it has been approved first by the chief of the field forces in Washington, next by the Director of the Bureau of Prohibition, and then only after the Attorney General or the Assistant Attorney General has given approval thereto.

Mr. COCHRAN of Missouri. That was the agreement the Attorney General made with the committee.

Mr. OLIVER of Alabama. And it has been carried out in letter and spirit, the committee is informed. After the committee suggested it, the Attorney General made the regulations referred to, and so far as our committee knows there have been no grounds for complaint since.

Further answering the gentleman from Massachusetts, there is no prohibition against wire tapping by other investigating units of the Government; and the gentleman will find they have had to resort to it in some important cases.

For instance, in cases of abduction, if this offense is not broken up in the future, wire tapping may have to be often resorted to. Otherwise you will never be able to locate the parties directly responsible for such offenses, which everyone condemns, and the punishment for which should be death, certainly in the Lindbergh case if the culprit is ever found. The development of rapid communication by radio, telephone, telegraph, has placed these instrumentalities in the hands of very dangerous criminal groups, to whom no Member of this House would consciously lend the slightest aid or support. Often, however, they are located far from the scenes of operation. They use the code system transmitted by radio, telegraph, and telephone and paid agents carry out orders thus sent, while keeping in constant contact with those far away. Sometimes such conspirators make their base of operations in foreign countries, sometimes far out at sea. No one who will take time to read the history of the exceptional cases where wire tapping has been resorted to will disapprove any action taken within the last 18 months.

In conclusion, as to these two amendments, my thought is that since you have repeatedly and wisely, I think, refused to impose these limitations on officials now in office, you can at least repose a like confidence on others who soon are to come into office. [Applause.]

[Here the gavel fell.]

Mr. OLIVER of Alabama. The following is the prepared statement which the committee authorized to be added at the conclusion of and as part of my oral remarks:

The Federal prison labor program has been the outgrowth of years of study and investigation. In its present form it is in conformity with the most progressive thought on the subject. The prison law providing for the diversification of employment of Federal prisoners was enacted as a direct outgrowth of the recommendations of a special committee appointed by the House of Representatives to investigate Federal penal affairs. This committee consisted of the Hon. JOHN G. COOPER of Ohio, chairman; WILLIAM F. KOPP, of Iowa; JOHN TABER, of New York; JOHN J. BOYLAN, of New York; and Thomas M. Bell, of Georgia. This committee recommended that additional opportunities be provided for the employment of Federal prisoners in the following words:

"EMPLOYMENT"

"The committee believes that every effort should be made to provide increased opportunity for employment of Federal prisoners.

"It is the committee's judgment that immediate steps should be taken to establish additional shops in the penitentiaries and other Federal penal institutions to make additional goods and articles which could be utilized by the United States Government. There is no doubt but that there is an ample market in the Federal Government for a sufficient quantity and variety of goods to keep all Federal prisoners employed."

In conformity with the recommendations of this committee, a bill (Public No. 271, 71st Cong.) providing for the diversification of employment of Federal prisoners, was presented to the Judiciary Committee of the House and enacted into law without

serious objection by the House of Representatives, was indorsed unanimously by the Senate, and approved by the President on May 27, 1930.

This bill had the indorsement not only of all students of the problem but also was specifically approved by the American Federation of Labor. The principles upon which this bill was founded were:

(1) To restrict the market for the products made in Federal prisons to tax-supported institutions and agencies of the Government, thus eliminating any possibility that the labor of Federal prisoners might come into direct competition with free labor and free industry. Not one single dollar's worth of goods made in Federal prisons is sold in the open market—a policy which has so far been adopted by only four or five of the States.

(2) To diversify to the maximum types of employment upon which Federal prisoners were engaged so that no single industry could have just ground for complaint that it had to bear an unfair share of the burden of what little competition resulted from the methods adopted by the Federal Government.

(3) To permit the use of as large a number of Federal prisoners as possible on manual labor in the construction and repair of roads and other public ways and works.

(4) To permit the executive branch of the Government to consider the problem as a whole and determine the specific industry which should be installed in the Federal prisons, thus eliminating political influences, logrolling, and selfish interests.

In carrying out the mandate of the Congress the Department of Justice has gone even farther and adopted the policy of not monopolizing even the Federal market for any one type of commodity and has endeavored so to regulate the output of its industries that no single group of manufacturers could have just ground to complain. It has also attempted to spread the work of its prisoners to the maximum. It has adopted the 5-day week and a 7-hour day. During the present period of unemployment the Department of Justice has decided that it would not install any additional industries if there are already in the institution any means whatever for providing employment. It does not use high-speed, automatic, or labor-saving machinery. It uses machinery only where necessary to produce a satisfactory product. No person or individual has ever suggested a practical means of employment for prisoners which has not been adopted by the Federal Government.

At the present time the following industrial activities are carried on at the various Federal prisons.

Industrial activities at Federal prisons June 30, 1932

Institution	Name of industry	Institution population	Number of prisoners employed
Atlanta.....	Cotton textiles.....	.....	851
Do.....	Canvas, baskets, and mail bags.....	.....	50
Do.....	Print shop.....	.....	15
Do.....	Clothing.....	.....	73
Do.....	.....	3,281	989
Leavenworth.....	Shoes.....	.....	477
Do.....	Brooms.....	.....	52
Do.....	Wood furniture.....	.....	55
Do.....	.....	3,537	584
Fort Leavenworth.....	Brushes.....	.....	127
Do.....	Print shop.....	.....	53
Do.....	Laundry.....	.....	105
Do.....	Dry-cleaning plant.....	.....	16
Do.....	Ice plant.....	.....	18
Do.....	.....	1,835	319
Chillicothe.....	Foundry.....	.....	19
Do.....	Brick plant.....	.....	98
Do.....	.....	1,534	117
Alderson.....	Garments.....	470	70
Fort Eustis.....	Salvage, bakery.....	640	70
Camp Lee.....	Sawmill, wood, furniture.....	635	60
Total.....	.....	.....	1,809
All institutions.....	Farming.....	.....	2,000
Camps.....	Road work and manual labor.....	.....	800
Total population in all Federal institutions.....	.....	13,698	.....

From the foregoing it can be seen that only about 15 per cent of the Federal prisoners are engaged in industries and only about 10 per cent are engaged in activities which supply goods to other Government departments and agencies.

The adoption of an amendment providing that the prison industries working capital fund can not be used to purchase machinery for the manufacture of metal furniture is a direct reversal of the policies heretofore adopted by the Congress and approved by all of those interested in the question. It discriminates in favor of a particular industry and will compel the Government and the Congress to repudiate their solemn promises to other industries that the activities of prisoners will be diversified and the burden

of competition spread equitably. It means, moreover, that there will be absolutely no means of employing those prisoners who must be kept within the walls of the new institution in Pennsylvania unless the machinery is purchased prior to July 1, 1933, with funds now available. Stripped of its camouflage, the proposal that no machinery may be used in the manufacture of metal furniture means that this industry can not after July 1, 1934, and during that year be established. No man can cut a $\frac{1}{8}$ -inch steel plate with hand tools or bend accurately a 12-gage sheet of metal without the help of machines. To eliminate machines in an industry such as metal furniture strikes a death blow at its establishment.

It may deprive the inmates of this prison of the right to work at productive labor. It means that those who have been placed in this institution in order to protect society may be released no better trained to work than when they entered and inevitably they might leave the prison worse than when they were received. Idleness in a prison vitiates all efforts to reform the inmate. It complicates discipline and increases maintenance costs. It makes of the prisoner a parasite rather than a producer. An idle man is a charge upon the whole community and the unemployment problem does not stop at the prison wall. Most appalling, however, is the thought that human beings are condemned by the law of the Federal Government to idleness.

Experience shows that wherever men have been crowded into an institution with no means of occupying their hands and minds, depravity, bloodshed, and riots have followed inevitably. The responsibility will not rest only upon the prison officials for the safekeeping of 1,200 men caged up within the small compass of a prison if means of occupying their time is to be denied or curtailed. Recent riots in prisons have focussed the attention of the public on this question and most of the States have been seeking a solution to this baffling problem.

In their attempts to find a remedy the States have adopted various means of employing their convicts. In Wisconsin, for example, their largest industry is a hosiery shop, employing something over 300 men on the contract-labor plan; another 125 are employed in making binder twine; and the remainder of the approximately 1,000 inmates are on maintenance tasks. In Michigan the prisoners make textiles, cement, metal furniture, brushes, and chairs. Of the Ohio prisons the Handbook of American Prisons says:

"The second striking characteristic of the prison is idleness. From 1,200 to 2,000 men are on the idle list, which is made more conspicuous by the use of the 'idle room,' in which hundreds of men spend their days sitting on benches in absolute idleness."

In New York the prison employment situation is acute and such industries as are in operation compete with private industry in substantially the same manner and to the same extent as do the Federal prisons. Everywhere the situation is critical.

The Federal Government does not now seek a complete solution of this situation. It does not hope to be able to provide employment during the present crisis for all of the inmates of the institutions. It seeks merely to stop the relative reduction in employment opportunities. The population of the Federal prisons has increased by 6,000 in the past four years and industrial employment opportunities have decreased. Since June 30, 1932, to the present date, for example, the number of men employed in Atlanta has decreased 40 per cent. Substantial reduction has also been made at Leavenworth. At the new prison at Lewisburg, Pa., the Department of Justice has suggested that employment opportunities be provided for only 12 per cent of the inmates and this only because it is vitally necessary to the safety of the institution. The investment in machinery will approximate \$25,000, and the value of the 1934 production will approximate \$40,000, which represents about one-tenth of the Government's annual purchases of such metal furniture.

Mr. LA GUARDIA. Mr. Chairman, I move to strike out the last two words.

As is always the case in the question of the prohibition appropriation, every class of criminals, and the enforcement of all criminal laws are brought in to reinforce the argument. Criminals did not create prohibition, but prohibition has made criminals. There is no comparison or analogy between the apprehension, prosecution, and punishment of a crime involving moral turpitude, a *malum per se*, and a strictly statutory artificially created offense, a *malum prohibitum*. There is nothing in the amendments before the House which would in any way disturb the practice and the efficient administration of the criminal laws of the United States Government. The detection and enforcement of the criminal laws of the United States Government are placed in the charge of the Bureau of Investigation, the head of which is Mr. J. Edgar Hoover, an excellent and efficient official. Under his administration there have been no abuses, and no commission of crime in the enforcement of the criminal laws under its jurisdiction. The trouble with the enforcement of prohibition laws, we have had as much violation of other laws on the part of officials as violations of the law itself.

I may remind the gentleman from Alabama that eight years ago I brought to the attention of this House, when one Bruce Bielaski was in charge of the undercover system of the Prohibition Bureau, the fact that several extortion cases occurred from information obtained as a result of wire tapping ostensibly for the purpose of enforcing law. It is the abuse of wire tapping in connection with the prohibition enforcement that has created the repulsion against this system of detection and has caused a storm of protest throughout the United States.

The gentleman from Alabama must admit that the House has cooperated with him, and always does in passing appropriations or enabling acts for the proper enforcement of the criminal laws, but the gentleman from Alabama has not yet realized that there is an entire change of attitude on the part of the American people on the question of prohibition. The funds which he asks, all of the money without the reduction, will not result in enforcement of the law, as we have learned from 12 years of experience. The amendments he seeks to defeat will not impair the proper lawful enforcement of the law. The practices he would continue will not aid one bit in enforcement but only place in the hands of irresponsible, petty officials a weapon of extortion and oppression.

Is there anyone here who would doubt for a minute that when the protest in New England against the practice of writs and seizures took place, which was one of the incentives which created the thought of liberation from the mother country, that had the telegraph been in existence wire tapping would have been included? Mr. Chairman, the leading case in the United States Supreme Court, the citation of which escapes me at this time, is one where Government agents broke into a home and took incriminating papers; and, although the very conviction depended upon the use of those incriminating papers, they were not admissible in evidence. Now, because we have a new means of communication, would the gentleman destroy what has taken centuries to acquire, what has taken the sacrifices of thousands and thousands of human lives to obtain, the protection of the individual only for the sake of continuing a fanatical law which has proved a failure? It is time the sponsors of prohibition realize that by their stubbornness and extreme methods they are jeopardizing the enforcement of all criminal laws. All this would not have happened, Mr. Chairman, had it not been for the attempt here to create and to make criminal something that in and of itself is not wrong. The entire enforcement of prohibition has broken down, a change of national policy on this question is soon to be brought about. We must therefore adjust ourselves to the coming change. The first thing we may properly do is to stop unlawful tactics and entrapment in the enforcement of the law. The second thing to do is to limit enforcement to sources of supply, importations, and unlawful manufacture of liquor. The retail and petty violations may be left, for the remaining period of prohibition, to the local communities. I trust the House will retain all of the amendments.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that the gentleman from New York be allowed to proceed for five additional minutes.

Mr. OLIVER of Alabama. Mr. Chairman, reserving the right to object, I move that all discussion on this paragraph close in 10 minutes.

Mr. LA GUARDIA. Why not close it now?

Mr. OLIVER of Alabama. Then, Mr. Chairman, I move that all debate on this paragraph do now close.

The motion was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. OLIVER of New York, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under considera-

tion the bill H. R. 14363, the State, Justice, Commerce, and Labor Departments, and the judiciary appropriation bill, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. OLIVER of Alabama. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. OLIVER of Alabama. Mr. Speaker, I demand a separate vote on the amendment offered by the gentleman from Massachusetts [Mr. TINKHAM] and the amendment offered by the gentleman from Georgia [Mr. TARVER].

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the amendments in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is asked.

The Clerk read as follows:

Tinkham amendment: On page 24, line 26, after the period, insert the following proviso: "Provided, That no part of this appropriation shall be used for or in connection with wire tapping to procure evidence of violations of the national prohibition act, as amended and supplemented."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. OLIVER of Alabama. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been asked.

The Clerk read as follows:

Tarver amendment: On page 24, line 26, strike out the period, insert a colon, and add the following: "Provided further, That no funds hereby appropriated shall be used for the purchase of intoxicating liquors, nor to pay informers, nor for the purchase of evidence."

The question was taken; and on a division (demanded by Mr. OLIVER of Alabama) there were—ayes 121, noes 78.

Mr. OLIVER of Alabama. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-one gentlemen present, a quorum.

Mr. BLANTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 174, nays 165, not voting 87, as follows:

[Roll No. 152]

YEAS—174

Amlie	Cary	Drane	Hull, William E.
Andrew, Mass.	Celler	Dyer	Jacobsen
Andrews, N. Y.	Chapman	Englebright	Johnson, Mo.
Arnold	Chavez	Erk	Johnson, S. Dak.
Auf der Heide	Chindblom	Estep	Kading
Bachmann	Clancy	Evans, Mont.	Kahn
Bacon	Cochran, Mo.	Fernandez	Kelly, Ill.
Baldrige	Cole, Md.	Fiesinger	Kemp
Beck	Condon	Fitzpatrick	Kennedy, N. Y.
Black	Connery	Foss	Kleberg
Bloom	Cox	Fulmer	Kniffin
Boehne	Cross	Gambrill	Knutson
Bohn	Crosser	Gasque	Kunz
Bolleau	Crowe	Gavagan	Kvale
Boland	Crump	Gifford	LaGuardia
Boiton	Cullen	Gillen	Lamneek
Boylan	Curry	Goss	Larrabee
Britten	Darrow	Griffin	Lewis
Brumm	Davis, Tenn.	Griswold	Lichtenwalner
Brunner	Delaney	Hadley	Lindsay
Buchanan	De Priest	Hart	Loneragan
Burch	DeRouen	Hastings	Lovette
Burdick	Dickinson	Hess	Lozier
Byrns	Dickstein	Holmes	McClintic, Okla.
Campbell, Pa.	Dies	Horr	McCormack
Carden	Disney	Howard	McDuffie
Carter, Calif.	Douglass, Mass.	Hull, Morton D.	McKeown

McMillan
Maas
Major
Maloney
Mansfield
Martin, Mass.
Martin, Oreg.
May
Mead
Millard
Milligan
Mobley
Montague
Montet
Nelson, Mo.
Niedringhaus
Norton, N. J.

O'Connor
Oliver, N. Y.
Overton
Palmisano
Parker, Ga.
Parsons
Peavey
Perkins
Person
Pittenger
Polk
Pou
Prall
Pratt, Ruth
Ragon
Rainey
Ransley

Reilly
Rogers, Mass.
Rogers, N. H.
Sabath
Schafer
Schneider
Schuetz
Smith, Va.
Somers, N. Y.
Spence
Stafford
Stokes
Sutphin
Tarver
Thomason
Tinkham
Treadway

Turpin
Vinson, Ga.
Warren
Watson
Welch
West
Whitley
Whittington
Wigglesworth
Williams, Mo.
Withrow
Wolcott
Wood, Ga.
Woodrum
Yon

NAYS—165

Adkins
Aldrich
Allen
Allgood
Almon
Andresen
Arentz
Ayres
Bankhead
Barbour
Barton
Biddle
Blanton
Bowman
Brand, Ohio
Briggs
Browning
Bulwinkle
Burness
Busby
Cable
Campbell, Iowa
Canfield
Cannon
Cartwright
Castellow
Christgau
Christopherson
Clague
Clark, N. C.
Clarke, N. Y.
Collins
Colton
Cooper, Ohio
Cooper, Tenn.
Coyne
Crail
Crowther
Davenport
Doughton
Dowell
Driver

Eaton, Colo.
Elzey
Eslick
Evans, Calif.
Finley
Fish
Frear
French
Garber
Gibson
Gilchrist
Glover
Greenwood
Gregory
Guyer
Hall, Ill.
Hall, N. Dak.
Hancock, N. Y.
Hardy
Haugen
Hawley
Hill, Ala.
Hill, Wash.
Hoch
Hogg, Ind.
Hogg, W. Va.
Holaday
Hollister
Hooper
Hope
Hopkins
Houston, Del.
Huddleston
Jeffers
Johnson, Ill.
Johnson, Okla.
Johnson, Tex.
Jones
Keller
Kelly, Pa.
Ketcham
Kinzer

Kopp
Lambertson
Lambeth
Lanham
Lankford, Ga.
Leavitt
Loofbrow
Luce
Ludlow
McClintock, Ohio
McFadden
McGugin
McReynolds
McSwain
Magrady
Mapes
Michener
Miller
Mitchell
Moore, Ky.
Moore, Ohio
Morehead
Mouser
Murphy
Nelson, Me.
Nelson, Wis.
Nolan
Norton, Nebr.
Oliver, Ala.
Parker, N. Y.
Parks
Partridge
Patman
Patterson
Pratt, Harcourt J.
Purnell
Ramseyer
Ramspeck
Rankin
Rayburn
Reed, N. Y.
Robinson

Sanders, N. Y.
Sanders, Tex.
Sandlin
Seiberling
Selvig
Shallenberger
Shott
Shreve
Simmons
Sinclair
Smith, Idaho
Snell
Snow
Steagall
Stevenson
Strong, Kans.
Strong, Pa.
Summers, Wash.
Summers, Tex.
Swank
Swanson
Swick
Swing
Taber
Taylor, Colo.
Taylor, Tenn.
Temple
Thatcher
Thurston
Timberlake
Underhill
Vinson, Ky.
Wason
Weeks
Williamson
Wilson
Wingo
Woodruff
Wright

NOT VOTING—87

Abernethy
Bacharach
Beam
Beedy
Bland
Brand, Ga.
Buckbee
Carley
Carter, Wyo.
Cavicchia
Chase
Chipherfield
Cochran, Pa.
Cole, Iowa
Collier
Connolly
Cooke
Corning
Culkin
Davis, Pa.
Dieterich
Dominick

Douglas, Ariz.
Doutrich
Doxey
Drewry
Eaton, N. J.
Fishburne
Flannagan
Flood
Free
Freeman
Fulbright
Fuller
Gilbert
Golder
Goldsborough
Goodwin
Granfield
Green
Haines
Hall, Miss.
Hancock, N. C.
Hare

Harlan
Hartley
Hornor
Igoe
James
Jenkins
Johnson, Wash.
Kennedy, Md.
Kerr
Kurtz
Lankford, Va.
Larsen
Lea
Lehlbach
McLeod
Manlove
Owen
Pettengill
Reid, Ill.
Rich
Romjue
Rudd

Seger
Shannon
Sirovich
Smith, W. Va.
Sparks
Stalker
Stewart
Stull
Sullivan, N. Y.
Sullivan, Pa.
Sweeney
Tierney
Underwood
Weaver
White
Williams, Tex.
Wolfenden
Wolverton
Wood, Ind.
Wyant
Yates

So the amendment was agreed to.

The following pairs were announced:

On this vote:

Mr. Rudd (for) with Mr. Rich (against).
Mr. Carley (for) with Mr. Kurtz (against).
Mr. Corning (for) with Mr. Jenkins (against).
Mr. Sullivan of New York (for) with Mr. Goldsborough (against).
Mr. Douglas of Arizona (for) with Mr. Stull (against).
Mr. Buckbee (for) with Mr. Goodwin (against).
Mr. Wolfenden (for) with Mr. Fuller (against).
Mr. Bacharach (for) with Mr. Stalker (against).
Mr. Granfield (for) with Mr. Cochran of Pennsylvania (against).
Mr. Cooke (for) with Mr. Culkin (against).
Mr. Connolly (for) with Mr. Green (against).

Until further notice:

Mr. Bland with Mr. Wood of Indiana.
Mr. Lea with Mr. Hartley.
Mr. Brand of Georgia with Mr. Free.

Mrs. Owen with Mr. Davis of Pennsylvania.
 Mr. Pettengill with Mr. Chipfield.
 Mr. Romjue with Mr. Manlove.
 Mr. Weaver with Mr. Lehlbach.
 Mr. Hare with Mr. Johnson of Washington.
 Mr. Gilbert with Mr. Beedy.
 Mr. Flannagan with Mr. Carter of Wyoming.
 Mr. Drewry with Mr. Reid of Illinois.
 Mr. Collier with Mr. Cavicchia.
 Mr. Kerr with Mr. McLeod.
 Mr. Larsen with Mr. Chase.
 Mr. Dominick with Mr. Seger.
 Mr. Underwood with Mr. Doutrich.
 Mr. Williams of Texas with Mr. Eaton of New Jersey.
 Mr. Hancock of North Carolina with Mr. Sullivan of Pennsylvania.
 Mr. Flood with Mr. White.
 Mr. Doxey with Mr. Wolverton.
 Mr. Haines with Mr. James.
 Mr. Fishburne with Mr. Wyant.
 Mr. Hall of Mississippi with Mr. Yates.
 Mr. Abernethy with Mr. Cole of Iowa.

Mr. BACHMANN. Mr. Speaker, the following Members, if present, would have voted "aye": Mr. GOLDER, Mr. McLEOD, Mr. LANKFORD of Virginia, and Mr. FREEMAN.

Mr. RAINEY. Mr. Speaker, the following Members, if present, would vote "aye": Mr. SIROVICH, Mr. SMITH of West Virginia, Mr. BEAM, Mr. HONOR, Mr. HARLAN, Mr. TIERNEY, Mr. STEWART, Mr. KENNEDY of Maryland, Mr. IGOE, Mr. DIETERICH, and Mr. SHANNON.

Mr. BUSBY. Mr. Speaker, the gentleman from Maryland, Mr. GOLDSBOROUGH, is unavoidably absent. If present, he would vote "no."

Mr. PALMISANO. Mr. Speaker, the gentleman from Maryland, Mr. KENNEDY, is unavoidably absent at a funeral. If he were present, he would vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. OLIVER of Alabama, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHANNON, for to-day, on account of important business.

To Mr. HARE (at the request of Mr. McMILLAN), indefinitely, on account of important business.

To Mr. RUDD, indefinitely, on account of illness.

To Mr. SULLIVAN of New York, indefinitely, on account of illness.

To Mr. HANCOCK of North Carolina, until Thursday, February 2, on account of illness in his family.

RATIFICATIONS OF THE TWENTIETH AMENDMENT

The SPEAKER laid before the House a communication from Guy B. Park, Governor of the State of Missouri, announcing that the legislature of that State had ratified the proposed amendment to the Constitution of the United States fixing commencement of the term of President, Vice President, and Members of Congress, and fixing the time of the assembling of Congress.

The SPEAKER also laid before the House a communication from C. D. Buck, Governor of Delaware, announcing that the General Assembly of Delaware had ratified the proposed amendment to the Constitution fixing the term of commencement of the President, Vice President, and Members of Congress, and fixing the time of the assembling of Congress.

The SPEAKER also laid before the House a communication from Clarence D. Martin, Governor of the State of Washington, announcing that the legislature of that State had ratified the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President, Vice President, and Members of Congress, and fixing the time of the assembling of Congress.

THE BANKRUPTCY BILL

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting in the Record

a memorandum prepared by the Solicitor General on the bill, H. R. 14359, the so-called McKeown-LaGuardia bankruptcy bill.

The SPEAKER. Is there objection?

Mr. BANKHEAD. Reserving the right to object, what is this, a criticism of the bill; what is the nature of it?

Mr. MICHENER. There was no opportunity given the Solicitor General to come before the committee to suggest amendments. This suggests amendments which we hope to offer to the bill. Many Members of the House are making inquiries about the matter, and I know of no way that we can get it before the House except to publish it in this way. It will be in to-morrow's RECORD, so that there will be some opportunity to present the matter, which we can not do if it is passed under suspension of the rules.

Mr. LA GUARDIA. Mr. Speaker, I reserve the right to object, though I shall not do so, in order to say that the gentleman from Michigan is slightly in error when he says that there was no opportunity for the Solicitor General to present his views. The matter under discussion has been under consideration by a joint committee of the House and Senate for several months. The Solicitor General presented his views repeatedly. He made his recommendations. He conferred with members of the committee, and he has had every opportunity to present his views.

Mr. BANKHEAD. Mr. Speaker, I withdraw my reservation of objection.

Mr. MICHENER. Mr. Speaker, in answer to the gentleman from New York, let me say that the Solicitor General did not appear before the Committee on the Judiciary of the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following memorandum prepared by the Solicitor General on the bill H. R. 14359, the so-called McKeown-LaGuardia bankruptcy bill:

JANUARY 26, 1933.

MEMORANDUM RE H. R. 14359

(House Calendar No. 300; Rept. No. 1897)

This bill proposes to amend the bankruptcy act by repealing sections 12 and 13 and adding a new chapter—Chapter VIII. Provisions for the relief of debtors.

The bill extends to debtors unable to pay their debts in due course and to their estates the protection of the court pending negotiations with their creditors for the extension or composition of their debts, in the case of individuals, and the readjustment of their debts, in the case of corporations, through the adoption of plans of reorganization. When approved by requisite majorities of the creditors and confirmed by the court these arrangements are made binding upon dissenting minorities under conditions which are intended to afford protection to minority interests. Relief is afforded under a process which does not carry the stigma of adjudication in bankruptcy. Adjudication may follow the debtor's failure to reach agreement with his creditors; but if the arrangement is approved and confirmed there can be no adjudication, and the debtor may obtain relief without reproach and be restored to gainful pursuits of benefit to himself and his creditors.

The process designed to accomplish these general purposes is set forth in three main sections of the new Chapter VIII proposed to be added to the present bankruptcy act, section 74 providing for compositions and extensions and being applicable to individual debtors, section 75 providing for corporate reorganizations, and section 76 providing for the reorganization of railroads engaged in interstate commerce.

As reported, the bill seems to require certain amendments of a more or less formal or technical character, which will be treated in a separate memorandum. The following comments are believed to present matters of more fundamental importance:

SECTION 74. COMPOSITIONS AND EXTENSIONS

In brief, this section is intended to provide a process for the voluntary readjustment, either by composition or by extension of the time of payment, of the indebtedness of the individual debtor who appears in court and makes such a proposal to his creditors.

In subsection (e) clause (1) the debtor may apply for the confirmation of his proposal after it has been accepted in writing by a majority in number of all creditors whose claims are affected by an extension proposal, which number must represent a majority in number and amount of such claims; and in clause (2) there is a further provision that failing to obtain the acceptance of a majority in number of all creditors, as required in clause (1), the debtor may nevertheless file a proposal for an extension, which after hearing as provided in subsection (f) the court may confirm as provided in subsection (g) if satisfied that (1) it includes an

equitable and feasible method of liquidation for secured creditors whose claims are affected and for the financial rehabilitation of the debtor; (2) it is for the best interests of all creditors; (3) that the debtor has not been guilty of any of the acts, or failed to perform any of the duties, which will be a ground for denying his discharge; and (4) that the offer and its acceptance are in good faith, and have not been made or procured except as herein provided, or by any means, promises, or acts herein prohibited. The proposal, when confirmed, becomes binding upon the debtor and his secured and unsecured creditors "provided that such extension or composition shall not impair the lien of any secured creditor but shall affect only the time and method of its liquidation."

Such process as this is open to the objection that a secured creditor may not be delayed in the enforcement of his security without his consent, or (as in the case of negotiable bonds secured by a trust indenture) without the consent of a majority of those entitled to participate with him in the enforcement of the security. The Supreme Court, in *Isaacs v. Hobbs* (282 U. S. 734) and in *Stratton v. New* (383 U. S. 318), has recognized the right of a bankrupt court to enjoin foreclosure proceedings in other courts affecting property within its jurisdiction—upon the principle, however, that the court is engaged in an orderly liquidation of the debtor's property, and may itself provide for the enforcement of the rights of the secured creditors. But the proceeding here in question is intended to avoid liquidation by a process of composition or agreement between the debtor and his creditors. Clause (2) of subsection (e) dispenses with the necessity of any agreement and permits the court to stay all creditors in the enforcement of their claims and liens without the consent of any of them, provided the extension shall not impair the lien and shall affect only the time and method of its liquidation.

This is a drastic extension of the power of a bankruptcy court, which under subsection (p) will be exercised by referees, receiving purely nominal compensation, appointed to administer the provisions of the statute in each county of the United States. The exercise of such power without the consent of creditors would be susceptible of grave abuse and injustice in its administration. If clause (2), commencing in line 1 on page 5 and continuing to include the words "are affected," in line 10 on the same page, is stricken out, the confirmation of the debtor's proposal will depend upon the assent of a majority in number and amount of his creditors. Questions which have not before been presented in the court may arise under this section involving the rights of secured creditors who do not agree to postpone the enforcement of their liens, but these novel questions involving the extent of the bankruptcy power may well be left for determination when they arise in the courts.

The compensation to be paid to referees in proceedings under this section, as provided in subsection (o), appears to be entirely inadequate either to fairly compensate the referees who are now serving or to make possible the appointment of qualified referees as contemplated in subsection (p). The referees are given broad powers, in the exercise of which minority creditors will be prevented from enforcing contractual rights. Persons who are not qualified to perform their duties with intelligence, independence, and courage should not be intrusted with such responsibility. Lines 5 to 15 on page 9 should therefore be stricken out.

SECTION 75. CORPORATE REORGANIZATIONS

This section, with modifications considered desirable, follows very closely the provisions of a bill introduced on June 15, 1932, by Senator HASTINGS (S. 4921), which was drafted in this department. Several minor and formal amendments are necessary and will be suggested in a separate memorandum.

There has been included in subsection (m) the provision:

"Whenever in this act the words 'receiver' or 'trustee' are used, the same shall mean a natural person; excepting, however, upon good cause affirmatively shown by any interested party or parties that it is for the best interests of the debtor or the plan generally, the court may appoint a corporation, but such corporation shall not be appointed in a multiplicity of cases."

It is not clear whether this provision was intended to have application to all estates administered in bankruptcy or merely to proceedings under section 75 of this bill. It should, in any event, be limited in its application to proceedings under this section, and if so limited there is no reason for referring to "receivers" because receivers are not appointed under section 75.

Unless limited to reorganization proceedings, this section will disrupt the administration of bankrupt estates by corporate trustees in some of our larger cities, notably New York, Detroit, and Chicago, and will restore conditions which previously resulted in grave abuses. The whole subject is dealt with in the report of the Attorney General to the President under date of December 8, 1931 (S. Doc. 65, 72d Cong., 1st sess.), and proposals were there made which are still under consideration by Congress designed to secure much-needed improvement in the administration of bankrupt estates by trustees and receivers qualified through experience to conduct the business of estates in bankruptcy. Reference is made to pages 31 to 38 and 107 to 123 of the Report of the Attorney General, which proposed fundamental changes in the qualification and selection of trustees and receivers, and to the President's statement in his message of February 29, 1932:

"The choice of the liquidating personnel should be limited to competent individuals or organizations after careful consideration by the courts of their qualifications and ability to maintain an efficient and permanent staff for the conduct of the business. The compensation for such services should be upon a scale which will attract trained business organizations."

Until these proposals, and the facts upon which they are predicated, have been given consideration by Congress, and conclusions have been reached as to the best methods for procuring the employment of a trained personnel in the administration of bankrupt estates, there should be no interference with the efforts of the judges to procure, through the employment of responsible corporate receivers and trustees, an efficient administration of estates in bankruptcy. A return to the haphazard selection of individuals untrained in such business, and having no permanent organization or staff at their command for its conduct, would lead to serious abuses. Certainly, without hearing the judges charged with the responsibility for the administration of the law, Congress would not be justified in yielding to the suggestions of lawyers that a law be passed preventing the judges from exercising their discretion in the appointment of receivers or of trustees where the statute imposes the responsibility of selection upon them. Section 45 of the bankruptcy act expressly authorizes the employment of corporate trustees.

The whole question is one which should be dealt with when Congress comes to consider bills now pending for the general revision of the bankruptcy act. Subsection (m) of section 75 should be omitted from this bill. If this provision is applicable to all proceedings in bankruptcy, it limits the creditors as well as the courts in their selection of trustees.

Aside from formal amendments to be included in a separate memorandum, and the elimination of subsection (m), section 75 provides for a process of reorganization in the bankruptcy courts which will vastly improve the existing process in equality and will greatly facilitate the voluntary readjustment of corporate debts.

SECTION 76. REORGANIZATION OF RAILROADS ENGAGED IN INTERSTATE COMMERCE

This section, a revision of the provisions of section 75 relating to corporations generally, has been changed substantially so as to give the Interstate Commerce Commission broad powers in the initiation, formulation, and approval of any plan for the reorganization of a railroad corporation which is engaged in interstate commerce.

In subsection (c) the court, in its selection of trustees, temporary or permanent, is limited to those persons recommended by the Interstate Commerce Commission. By clause (8) of subsection (c) the court, on its own motion or at the request of the Interstate Commerce Commission, may refer matters for consideration and report to special referees who are to be appointed by the President, by and with the advice and consent of the Senate. In determining and fixing the compensation of these referees the court may act only with the approval of the Interstate Commerce Commission.

In subsection (d) the commission is given power to formulate the plan of reorganization, and creditors and stockholders may not be asked to accept any plan of reorganization until the commission, after a hearing, has proposed a plan which has its approval. The plan thus evolved and approved by the commission is not transmitted to the court until it has been accepted in writing by the requisite majorities of creditors and stockholders, and until after the commission has reopened the proceeding and determined under subsection (f) all of the matters recited therein. Many of these matters require judicial determination, after hearing before a judge who has not already determined the questions presented for decision. It will be noted that under the corresponding subsection (f) of section 75 all of these matters are determined by the judge. Comparison of these corresponding sections will show that functions of the court to have been bodily transferred to the commission.

Upon decision of all these judicial questions by the commission, subsection (g) confines the court to a consideration of the plan accepted by the majority and approved by the commission, upon the findings of the commission and the record of the proceedings before it. In the report of the committee it is stated:

"Subsection (g) provides for the necessary court of review, but the commission transmits the approved plan, its findings, and the record to the court. The court's review must be based upon the record made before the commission. This is specifically so provided to avoid new hearings or a commencement of the proceedings de novo by the court upon the plan."

It thus appears that the Interstate Commerce Commission, having itself determined in advance that the plan which it proposes is fair and equitable, shall thereafter hear and determine the rights of individual security holders who are entitled to come into a court and be heard upon a question already determined by the commission in their absence, and before any opportunity has been afforded them to consider the provisions of the plan proposed and approved by the commission. (Compare subsections (d) and (f).)

This situation presents a fatal objection to the provisions of subsections (f) and (g) of section 76.

Furthermore, there are questions to be determined by the court which will not be included in the record of the proceedings before the commission, but which must be considered by the court in concluding whether the plan proposed and approved by the commission may be confirmed over the objection of dissenting security holders whose interests will be affected. For instance: Under clause (4) of subsection (c) questions affecting the validity of claims and liens, the division of creditors and stockholders into classes for the purposes of the plan; the determination of priorities, and many other matters affecting the equities as between groups of contending security holders, will undoubtedly arise for determination by the court. Another matter directly related to the rights of security holders to approve and participate in the

plan is the solvency or insolvency of the corporation, which the judge must determine under subsection (e).

These questions, having been decided by the court, must be considered in their bearing upon the confirmation of the plan, but under the provisions of subsection (g) are all excluded from the consideration of the court unless they have been made part of the record before the commission.

The very purpose of subsection (d) is that the commission shall take the lead in formulating a plan acceptable to two-thirds of the security holders of each class whose rights are to be affected by it. This is perhaps the most important function the commission will have to perform. It is nonjudicial because the action of the commission, to be effective, must, under the terms of the statute, be approved by two-thirds of the security holders of each class. The process is one of conciliation, not of adjudication. The commission will inevitably be required to consider the demands of the various groups of security holders and will not be in a position to resolve their conflicting claims unless agreement results from a process of trading over the provisions of the plan which is to be finally approved by the commission and accepted by the security holders. It being the function of the commission to formulate and approve the plan and to control the negotiations which lead to its acceptance by the security holders, it is obviously improper to give the commission the power to pass judgment upon questions directly affecting the property interests of the security holders whom it must conciliate. The two functions should not be exercised by the commission.

The creation of an impartial, disinterested, responsible agency which may lead and control the negotiations by which the requisite majorities of security holders may be brought into agreement upon the acceptance of a railroad reorganization plan approved by the commission will go very far toward solving the abuses which have been incident to railroad reorganizations in the past. The commission should have this power and in its exercise should have the widest powers of inquiry. It should be free to consider whether the plan is fair and equitable from the standpoint of the security holders and financially sound and desirable in the public interest.

In exercising its judgment upon a plan the commission should be fully informed regarding all fees, costs, and allowances, and should be free to condition its approval of the plan upon such expenses being kept within limits which it deems to be reasonable and in the public interest. Unless upon consideration of all these matters the commission shall affirmatively approve the plan, no court should be authorized to make it effective. But when the plan has thus been approved by the commission there must be a full judicial hearing before the court for those security holders whose interests will be affected by the confirmation of the plan and who have not accepted it.

A hearing before the commission, which has approved and recommended the plan, will not suffice, even though its conclusions may be subject to review in the court. It is important, in the interests of fair play and due process in the administration of justice, that the Interstate Commerce Commission should not be required to sit in judgment upon its own acts. Subsection (f), as presently drawn, requires it to do so, and subsection (g) confines the review of its determination to the record before the commission, which, as heretofore pointed out, may be entirely inadequate.

The inconvenience to security holders (particularly those in the minority) of traveling to Washington in order to appear before the commission in opposition to the plan which the commission has already formulated and approved should be considered in this connection.

Fortunately, section 76, having been predicated upon the provisions of section 75, may be easily amended so as to fully accomplish the important purposes of this legislation, as follows:

Leaving subsection (d) as it is, the commission will have full power to initiate and control negotiations leading to the formulation of the plan.

A merely formal amendment of subsection (e) is required, changing the word "transmitted," in line 15, to the word "approved," and striking out, in line 16, the words "to the court." Thus all the powers specified in subsections (d) and (e) are retained.

There should then be inserted a new subsection (f), defining with precision the powers of the commission, reading as follows:

"(f) A plan of reorganization, upon acceptance, shall be submitted to the Interstate Commerce Commission, which shall hear all interested parties upon such notice and subject to such rules and regulations as it shall prescribe. If after such hearing the commission determines (1) that the plan is equitable and does not discriminate unfairly in favor of any class of creditors or stockholders; (2) that all amounts to be paid by the debtor, or by any corporation or corporations acquiring the debtor's assets, for services or expenses incident to the reorganization and cost of financing have been fully disclosed and are in its opinion reasonable; and (3) that in respect of the financial advisability of the plan and the issue of securities pursuant thereto the consummation thereof is in all respects compatible with the public interest, the commission shall thereupon certify to the court its approval of the plan, with a report of the proceedings before it and its findings and conclusions thereon. The commission shall also fix the maximum compensation which may be allowed by the court pursuant to clause (7) of subsection (c) of this section, provided that unless good and sufficient reasons appear therefor no allowance for fees or compensation shall be made to officers of corporations who have acted as managers or in any capacity in con-

nection with the reorganization when such corporation had an interest in the matter. No plan of reorganization shall be confirmed in any proceeding under this section except upon the approval of the Interstate Commerce Commission thus certified to the court. If the commission shall decline to issue such a certificate it shall file in the proceedings before it its decision, specifying the particular grounds upon which it bases its disapproval of the plan."

Subsection (f) then becomes (g) and should be amended as follows: Strike out lines 11 to 15, inclusive, and the first two words in line 16, on page 33, and substitute in lieu thereof:

"(g) Upon such approval by the Interstate Commerce Commission, and after hearing such objections as may be made to the approved plan, the judges shall confirm the plan if satisfied (1)."

On page 35, line 3, insert after the word "charter" "or under applicable State or Federal laws," and strike out the words "and should be granted for that" and all that follows up to and including line 5, on page 36, these provisions having already been covered by the new subsection (f) above quoted, with such modifications as are disclosed in the quotation.

Subsection (g) then becomes (h) and should be amended by striking out lines 6, 7, 8, and 9 and the first word in line 10, and inserting in lieu thereof:

"(h) Upon confirmation by the judge, the provisions of the plan shall be binding upon (1)."

Substitute "confirmation" for "approval," in line 20, on page 36; strike out the sentence commencing in line 22 and add the following, at line 22, page 36:

"Upon confirmation of the plan by the judge, the debtor and other corporations affected by the plan, or organized or to be organized for the purpose of carrying out the plan, shall have full power and authority to put into effect and carry out the plan and the orders of the judge relative thereto, the law of any State or the decision or order of any State authority to the contrary notwithstanding; and they shall be, and they are hereby, relieved from the operation of the 'antitrust laws,' as designated in section 1 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, and of all other restraints or prohibitions by law, State or Federal, in so far as may be necessary to enable them to do anything authorized or required by the plan or by any order made under and pursuant to the provisions of this section."

Subsections to be relettered accordingly and cross references corrected to conform.

These rather simple amendments will eliminate all confusion in regard to the functions to be exercised by the commission and by the court, and will, it is thought, remove the most fundamental objections to the bill in its present form.

Clause (8) of subsection (c), page 29, contains a provision that the President shall appoint special referees by and with the advice and consent of the Senate, to whom the court may, on its own motion or at the request of the Interstate Commerce Commission, refer matters for consideration and report, either generally or upon specified issues. It is expressly provided that these special referees shall sit in Washington, D. C., and in such other places as may be designated in any instance by the judge referring the matter to them. In allowing compensation for services to these special referees the action of the judge is made subject to the approval of the Interstate Commerce Commission.

These provisions seem to ignore the fact that the principal questions required to be determined by special referees will undoubtedly require the hearing of witnesses and the determination of questions of law relating to the validity of claims against the corporation; the priority, validity, and extent of the liens of secured creditors; the title to property in the possession of the trustee claimed by third parties; and a host of other questions affecting the rights of creditors and security holders against the corporation and among themselves, as well as all of the legal questions which may arise out of the operation of the railroad during the pendency of the proceeding, and to which the trustee will be a party.

In the settlement of such controversies the special referee will necessarily be required to spend most of his time in the jurisdiction where the court is sitting rather than in Washington. No specialist in the law is required to sit in all cases. The questions which will arise are of general application, affecting the rights of creditors and security holders, and the interpretation of agreements, mortgages, and trust indentures. It would be inconvenient to have such special referees living in Washington, where few, if any, such proceedings will be instituted, and it is thought desirable that such referees should be immediately available to the court, and that their selection should be uninfluenced by any considerations except their qualifications for the tasks which may be assigned to them. It is believed that a number of lawyers qualified to act as special referees in such proceedings should be designated by the judges of the circuit courts of appeal in each circuit.

Political appointment of judicial officers for short and temporary terms is contrary to American tradition. Life appointment is of course out of the question. The circuit judges in each circuit may be counted upon to choose those lawyers who are best qualified: First, because they are in a position to know the qualifications of the lawyers appearing before them, and, second, because they are themselves concerned that the work of the special referees be well done, for they themselves will be required in case of appeal to review their decisions. Accordingly, the following amendment is proposed:

Strike out all of lines 17 to 25, on page 29, and lines 1 to 13, inclusive, on page 30, and substitute the following:

"(8) may on his own motion or at the request of the Interstate Commerce Commission refer any matters for consideration and report, either generally or upon specified issues, to one of several special masters who shall have been previously designated to act as special masters in any proceedings under this section by the judges of the circuit court of appeals for the circuit in which the proceedings are pending, and may allow such master a reasonable compensation for his services. The circuit judges in each circuit shall designate three or more members of the bar as such special masters whom they deem qualified for such services, and shall from time to time revise such designations by changing the persons designated or reducing or adding to their number, as the public interest may require: *Provided, however,* That there shall always be three of such special masters qualified for appointment in each circuit. For all purposes of this section 76, claims against."

Subsection (m) of section 76 obviously does not have application to a railroad corporation which can not be liquidated or adjudicated bankrupt. The following amendment is therefore suggested:

"(m) In proceedings under this section 76, except as otherwise provided therein, the jurisdiction and powers of the court, the duties of the debtor, and the rights and liabilities of creditors, and of all persons with respect to the property of the debtor, shall be the same as if a voluntary petition for adjudication had been filed and a decree of adjudication had been entered on the day when the debtor's petition was filed."

Aside from more or less formal and technical amendments, which will be included in a separate memorandum, the foregoing are believed to include the changes fundamentally necessary in section 76.

THOMAS D. THACHER, *Solicitor General.*

EXTENSION OF REMARKS—DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL, FISCAL YEAR 1934

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their own remarks on the appropriation bill just passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. KERR. Mr. Speaker and Members of the House, since I have been in Congress I have on many occasions made close contact with the commodity divisions of the Bureau of Foreign and Domestic Commerce; I have gotten the most efficient service possible, and I want to add my commendation and go upon record in deep appreciation of the effectiveness of this service in the promotion of the export trade of the United States and the clear, concise understanding manifested by those who have charge of these matters in our domestic problems, as well as their accurate understanding of world conditions; this information and this service are especially useful at this time.

I have had occasion many times to refer matters to the commodity divisions of the Department of Commerce in my endeavor to take care of legislation which affected the vital welfare of the peanut and tobacco growers of the Nation; the splendid service which I have received has enabled me to have accurate knowledge of all facts which would be useful in the consideration of legislation involving these great agricultural industries, and I think the information which I have gotten through this governmental service has enabled me to render most useful service in my effort to vouchsafe the interests of my own constituents as well as many million farmers throughout the United States.

I have every reason to believe that the commodity divisions of the Department of Commerce are staffed with intelligent and industrious men drawn from business and trades and advised by those who have had large experience in our industrial activities as well as the industrial activities of other nations. If you want information about imports, exports, or tariff regulation and embargo restrictions, you can get it and feel perfectly safe in asserting it. This is a great comfort to those who like to confine themselves to facts when they are engaged in controversial matters.

I have been informed that through the commodity divisions and foreign offices of the Department of Commerce more than \$47,000,000 of American business has been secured through foreign sales and savings during the last fiscal year. This department serves continuously over 24,000 export firms, and more than 50,000 business organizations make use of the bureau's domestic-trade service. It appears that the

demands made upon the commodity divisions are increasing each year. I am informed that letters to the lumber division have doubled since 1929, and that curtailment of private sources of business information because of economic conditions, as well as the faith in the accuracy of this department of our Government, has compelled business to turn to this department for information it can not acquire through any other source. And I refer to both domestic and foreign business.

The service of the tobacco division in fortifying our exporters and cooperative associations with timely and accurate information regarding demands, competition of foreign tobaccos, trends in consumption and trade, tariff changes, credit risks, and so forth, is playing an important part in promoting our foreign trade. The tobacco trade is about the only foreign trade we can boast of now. During the past 10 years about 40 per cent of our total production of leaf tobacco has been exported to more than 100 countries, and it is an economic necessity to more than 500,000 tobacco growers that every agency be kept active to promote demands for our surplus production. To destroy the tobacco industry or even neglect it would imperil the greatest tax-producing commodity of this Nation.

Mr. LEA. Mr. Speaker, the action of the House in reducing appropriations carried in this bill for prohibition enforcement deals with only one superficial phase of this problem. The country hopefully awaits the action of Congress on many serious and important problems, of which prohibition repeal is one. This is the most controversial and the most concrete and definitely understood of all the important problems pressing for action by Congress. The issue is a simple one. There is no other problem that consumes our attention whose elimination from Congress and national politics would do more to clear the way for intelligent thinking and acting on the other great problems of the country.

The public sentiment of the Nation is fairly well crystallized on one general proposition, and that is that the will of the people of the country, constitutionally expressed, must determine what shall be done with the eighteenth amendment. The duty now clearly rests upon Congress to determine how the people of the country shall exercise this right to decide whether or not the eighteenth amendment shall be repealed.

Shall Congress keep faith with its duty on this question?

The proposal that the question be referred to the legislatures of the States was, in effect, repudiated in the platforms of both major parties in the last campaign. Each of these platforms promised State conventions. The substance of this promise was that the people themselves, through the election of delegates to conventions in the States, would be given the power to decide what should be done with the eighteenth amendment.

Three main steps must be considered in any plan of repeal by popular action. In any event, the first step is the submission of the question by two-thirds vote in each House of Congress.

The second step to be considered is as to what, if any, action must be taken by the State legislatures to authorize or provide for conventions, or for a popular vote on the question. Is it legally necessary that the legislature must authorize or call a State convention to comply with the Constitution? If it be not necessary for the legislature to authorize the convention, would it be a practical method of procedure for the Federal Government to ignore the State legislatures, authorize the convention, fix the manner of electing delegates thereto, the date of the convention, and other necessary details? These are the two main questions as to procedure that Congress must answer in adopting its policy of submission.

If it is unnecessary for the State legislatures to intervene in the matter, their omission can greatly facilitate prompt action upon the question of ratification in the States. Congress can call the conventions, fix the date, thereof, and make all other provisions necessary to conduct the election of delegates and hold the convention. Under this method of procedure all the States of the country can act upon ratifi-

cation within a very few months after the question is submitted.

The proposal of action in the State through conventions without State approval is a new and somewhat uncharted route. The details of the plan are not insuperable. The main problems are only whether or not there is constitutional authority for such procedure and whether or not it be a practical method.

The practicability of the plan is a question of public policy. From the standpoint of the proponents of repeal, it is a practical method of procedure unless the degree of opposition it incurs, due to the conduct of elections and the holding of conventions in the States without approval of the legal authorities thereof, would menace the success of the effort for reasons not going directly to the merits of the problem involved.

Without attempting to add anything to what has already been said in this controversy as to the rights of the Federal Government in acting through conventions without the consent of the States, let us consider a procedure for popular repeal which is free from the question of Federal conventions without State approval.

This brings us to the third step that must be considered, and that is as to the kind of election that shall be held by which the will of the people of the United States on this question shall be registered and made effective.

A DIRECT VOTE ON REPEAL

Under the convention plan the election of delegates and the holding of conventions are incidental to the main purpose of securing a vote of the people upon the question. The injection of the election of delegates and the holding of conventions are necessary only to comply with the technical provisions of the Constitution. They serve no other useful purpose. Otherwise, undoubtedly, it would be preferable to dispense with the delegates as well as the convention and let the people decide the question by a direct vote on the main question of repeal. The entire substance of the promise to refer the problem to State conventions can be kept by submitting to the State legislatures an amendment authorizing a direct vote for and against the repeal of the eighteenth amendment. That would afford the State legislature a chance to block action by this procedure, but that is improbable, because it is unlikely any, or any considerable number of legislatures, would refuse the people the simple right to vote on the question.

With this purpose in mind, I have filed House Joint Resolution 534, which provides for the submission to the State legislatures of an amendment authorizing a direct nationwide controlling vote on the repeal of the eighteenth amendment.

This method of procedure requires, of course, the submission of the amendment to the State legislatures. In the second place it requires action by three-fourths of the legislatures to ratify the amendment, authorizing a referendum vote on repeal. The vote would follow automatically, be directly on the question of repeal, the election would be conducted by the State, and the question as to the constitutionality of the method of procedure as well as to the rights of the States are thus eliminated from this plan of procedure.

If three-fourths of the States by popular vote concurred in favor of repeal, the eighteenth amendment would thereby cease to be part of the Constitution.

As I view the matter, this proposal can secure the maximum number of votes in Congress and in our State legislatures. It does not require a committal by Congress or by the State legislatures on the question of repeal, but simply gives the people themselves the right to repeal the eighteenth amendment by their direct votes on that question.

A direct vote on the question appeals to the average man.

The plan is more understandable and free from complications that require explanation.

It eliminates all uncertainty as to the date when the election shall be held and as to what authority shall conduct the election.

It would permit the Federal Government to bear the expense and thus avoid the delay incident to any plan that

leaves it optional with the State as to when or whether it shall act.

This proposed plan provides for repeal and conforms to the present practice of amending the Constitution by requiring concurrence of three-fourths of the States. A majority vote would be required in each of three-fourths of the States.

If a sufficient concurrence of States was not secured on the first nation-wide vote, States that voted in the affirmative would be counted as having ratified, and States which voted in the negative would have the privilege of holding another election within five years. This is analogous to the present practice of ratification by State legislatures.

LEGISLATURES NOW IN SESSION

The legislatures of most of the States are now in session. Their sessions are limited in some States to 40 days, with more extended, and no limits in other States.

These legislatures unless called in special session will not meet again for a long time. Within a few weeks their opportunity to provide for an election on the repeal of the eighteenth amendment without delay and without the expense of a special session will have gone.

In view of this situation and the universal recognition that the disposal of this Federal prohibition question is one of the things that should be gotten behind us for the good of the Nation at the earliest possible date, is it not possible that Congress can function on this question? Why can not the Judiciary Committee, the committee having jurisdiction of this subject in the House, report out a measure that will give the House the chance to do the useful thing of clarifying this subject and now advising the States so they can prepare while the legislatures are in session to handle the problem of the election effectively before adjourning? It is important to get the earliest possible action.

Legislatures can now provide in advance for taking care of conventions, and thus avoid delays and special sessions if they desire. It is improbable that any considerable number of State legislatures will do this unless Congress definitely determines what the method of ratification shall be before these legislatures adjourn. Those who insist on action by State legislatures to authorize the State vote should not now stand in the way of prompt action by Congress. If Congress would immediately decide on the method of submission, it would greatly encourage and facilitate prompt action by the States and do a good service to the Nation.

The direct referendum method involves a minimum of expense in conducting the election, because the questions as to the method of nominating candidates for delegates as well as their election are all eliminated.

A direct vote on constitutional amendments has become practically a fundamental of American government. Forty-seven of the forty-eight States permit the people to vote on amendments to their State constitutions. This practice of direct voting has grown up since the original Constitution was adopted. I believe the people of the country would welcome this practice of the States in acting upon this Federal amendment, preserving the old requirement that three-fourths of the States must concur to change the Constitution. This plan would preserve the relative importance of the smallest State as it now exists so far as the amendment to the Constitution is concerned.

The recent election clearly revealed that the eighteenth amendment is without the prestige of popular support. It has lost its vitality. It is dead timber on the constitutional tree. Its enforcement is impracticable. Nullification of the eighteenth amendment is demoralizing. An unenforceable eighteenth amendment in the Constitution is demoralizing. Public welfare demands prompt action on the question of repeal.

It will be a regrettable neglect for Congress to permit this large number of legislative sessions to adjourn without giving them an opportunity to provide intelligently for prompt action on the question of repeal.

THE SENATE PROPOSALS

What question shall be submitted? A Senate committee has reported a proposed form of amendment to be submitted to the State legislatures. It provides for the repeal of the

eighteenth amendment, and that the transportation of intoxicating liquors into a State in violation of its laws is "prohibited."

It is further provided that Congress shall have "concurrent" power to regulate or prohibit the sale of intoxicating liquors to be drunk on the premises where sold.

In submitting this amendment to the legislatures, instead of conventions, this proposal flies in the teeth of the platforms of both parties. It ignores public sentiment of the country, which is determined that the people themselves shall have a right to settle this question. No other method of settlement will command equal respect.

In view of the fact that Congress has authority, regardless of the eighteenth amendment, to prevent the interstate shipment of intoxicating liquor in violation of State laws, the provision of the Senate amendment "prohibiting" such shipment is perhaps not of great consequence. Congress properly exercises this power and it should not be handicapped by an inflexible rule of the Constitution. There is little reason to anticipate that Congress will ever desire to authorize State shipments in violation of State laws, or that Congress will repeal the existing laws preventing such interstate shipments.

The proposal to prohibit importations to the States in violation of their laws is illogical, even though unimportant in its practical effects. It is theoretically unsound to propose that each State in the country shall have the right to compel the Federal Government, without any discretion of Congress, to support whatever statutory liquor laws the State legislatures see fit to write, however unwise or improvident. It is for the legislature of the Federal Government, not for the legislature of a single State, to determine under what circumstances the Federal Government shall assume the unusual responsibility of enforcing State laws. Under this color of constitutional sanction a State might pass a law to interfere with legitimate interstate shipments. No one could measure the responsibility the Federal Government would thus assume. No one could anticipate the many varied, and perhaps unwise, provisions that might be written by the various States of the country. In this way their mere legislative action would compel this action of the Federal Government without the approval and even against the will of Congress.

That proposal, on principle, is the extreme of State rights.

CONCURRENT POWER

The proposal that Congress shall have concurrent power with the States to regulate and prohibit the sale of intoxicating liquors to be drunk on the premises where sold, is the extreme of centralized power or Federal interference in State affairs. This provision would give the Congress power to enforce prohibition on a State against its will and also to provide regulatory provisions in favor of the liquor traffic in opposition to the laws of dry or semidry States. The wildest friend of centralized government could scarcely approve of Congress enforcing the sale of liquors on dry States over the opposition of their laws and perhaps of their Constitution. I do not anticipate that this provision, if enacted, would in practice be so applied. The fact that such a power is seriously proposed to be placed in the Constitution should excite the opposition of all.

One of the weaknesses of Federal prohibition is the dual responsibility and irresponsibility of the State and Federal Governments. Concurrent power to enforce prohibition is quite different from concurrent power to regulate or prohibit the sale of intoxicating liquors. One government might want to prohibit the sale of liquor and the other might prefer to regulate it. The plan is simply impracticable of application. Two separate governments can not successfully regulate the same thing any more than can two separate heads of one business or any other enterprise. In division of responsibility there is weakness, not strength. Concurrent regulation might provoke more conflicts, more ill, more corruption, and more annoying details of administration than does prohibition. Prohibition is a unified policy even though

enforcement responsibility is divided. Regulation assumes diversified policies between the regulatory authorities.

A sinister influence designing to harass and bedevil the Federal Government with the prohibition question for a generation to come could scarcely suggest a constitutional provision more calculated to accomplish that purpose than the regulatory provision of the Senate resolution. It seems especially designed to preserve the obnoxious and unworkable features of Federal prohibition.

If there is anything to be learned from our experiences with Federal prohibition, it is the unwisdom of the Federal Government interfering in State affairs and forcing on unwilling States obnoxious sumptuary legislation.

The Senate amendment in effect proposes to continue Federal interference with State affairs, injects new questions of Federal regulation, and retains the liquor problem in national politics for a generation to come.

Rather than authorize the Federal Government to go into the States to regulate their liquor affairs, I would prefer that Federal prohibition be maintained.

I never expect to see the States of this country, with their different viewpoints and customs, reconciled to a uniform system of regulation prescribed by Washington and generated under the constant bedevilment of Congress with the liquor problem as a national political question. The varied conditions of our separated States does not permit of one uniform rule or regulation that can be satisfactorily applied to all. If we are to have a happy administration of the affairs of this Nation, no State in this Union should be regarded as too unworthy to be trusted with the regulation of its own liquor problem. All States should have enough pride in the right of local State government and enough respect for the right and good will of their sister States to refrain from using any power they may have to force their power upon their unwilling neighbors. These same States that invoke their powers to impose obnoxious legislation upon their neighbors to-day may find themselves victims of the same bad philosophy to-morrow.

PREVENTING THE SALOON

If it is desired to use the power of the Federal Government only to prevent the maintenance of saloons, it is unnecessary to give the Federal Government regulatory powers to accomplish that result. A provision in the repealing amendment simply denying the States power to authorize or permit the conduct of a saloon, would be sufficient for that purpose. Such a provision would simply withhold from the State the power to legalize the saloon without forcing on the Federal Government the duty of interfering in the State affairs to regulate their liquor business. The saloon being made impossible of legalization could not survive under a State regulated system of liquor control. In that way, if it is desired to prohibit the saloon by the Federal Constitution, that purpose could be accomplished without the obnoxious regulatory provisions of the Senate amendment.

The substantial purposes of the Senate amendment could thus be accomplished without its unwarranted provisions. An amendment thus modified might afford a basis of compromise and agreement between the two Houses of Congress.

The good of the Nation requires prompt action on the question of Federal prohibition repeal. Congress should promptly adopt its plan of procedure. If possible, cooperation of the State legislatures should be secured. The question should be submitted to the people of the United States for their decision at the earliest date possible under constitutional methods of procedure.

Mr. GIBSON. Mr. Speaker, that portion of the appropriation for the Labor Department covering the Bureau of Immigration carries with it some items for the immigration service larger than for the present year.

A deficit for the current year was caused in part by the extra cost for the deportation of several thousand aliens at an expense greater than estimated. The zealous employees have helped to cover this deficit through furloughs without pay. The items of the bill were entirely proper in view of the situation. The employees have been indirectly penalized

for their zeal in enforcing the law. This situation should be taken into consideration by the President when he submits to the House of Representatives the recommendation of an additional sum to cover the cost of deportations, as suggested would be done, by the gentleman from Alabama [Mr. OLIVER].

Vermont has a hundred miles of border along the Canadian line. A network of roads makes the enforcement of immigration laws and regulations very difficult. The immigration and customs officers are high-grade men and women. They have been performing a splendid service for their country. They are faithful and patriotic.

As evidence of this fact, the employees along the Vermont border have voluntarily signed joint letters directed to the Commissioner General of Immigration calling his attention to the fact that because of the lay-off of employees without pay the work of the service can not properly be done; that as a result many aliens are obtaining entry in violation of law who later must be deported at a final cost far in excess of keeping the full staff on duty. The employees in these joint letters advise the Commissioner General of Immigration that they are willing to remain on duty during the 5-day-per-month furlough and the sixth day of each week without pay in order that the law may be enforced.

I am glad of the opportunity to publicly congratulate these employees and to commend their patriotic action to other employees of the Government and to the people as a whole. Let the word go out to the country that these men are loyal to their country in this period of difficulty.

SAN FRANCISCO BANK OF AMERICA

Mrs. KAHN. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mrs. KAHN. Mr. Speaker and Members of the House, in an Associated Press report yesterday I was very much surprised to read certain remarks of the gentleman from Nebraska [Mr. HOWARD]. As a rule, he is both fair and well informed, but in this instance I fear that he was neither. He remarks that he looks askance at the \$64,000,000 loan that went to the San Francisco Bank of America. Said he to the newspapermen, quoting from the Associated Press dispatch:

It seems strange that the corporation should make a \$64,000,000 loan to a syndicate of foreigners.

I presume that he made this criticism because the head of the Bank of America is Mr. A. P. Gianini, and because the Bank of America is a successor to the Bank of Italy. Mr. Gianini was born in California and has lived there all of his life. He was educated in the public schools of California. He became a commission merchant, and in 1904 he founded the Bank of Italy. From that bank grew this great Bank of America which has now in the neighborhood of 500 branches in the State of California. Subsequently Mr. Gianini acquired the ownership of the Bank of America in New York City and changed the name of the Bank of Italy of California to the Bank of America. The stock of the former Bank of Italy of California and the Bank of America is owned by the Trans-America Corporation, and it is not an exaggeration to say that 80 per cent of that stock is owned by residents of the State of California.

Mr. Gianini retired from the bank about 1929, and upon retiring gave one million and a half dollars to the University of California to establish an agricultural department foundation.

In 1929 the management of the Bank of Italy passed to Elisha Walker, of New York. Just about a year ago, I think it was February, 1932, the management of the bank passed again into the hands of Mr. Gianini.

If the gentleman from Nebraska will make further inquiry, he will find that the loan of which he complains and concerning which he indulged in criticism is practically paid off. On January 6 of this year the status of that loan was as follows: \$64,900,000 was granted as a loan to the corpora-

tion by the Reconstruction Finance Corporation. Of that, \$64,488,644.61 was paid to them, and by January 6 of this year they had repaid \$57,650,774.83, leaving a balance of \$6,337,689.78 still owing the corporation on that loan. [Applause.]

The SPEAKER. The time of the gentlewoman from California has expired.

Mrs. KAHN. Mr. Speaker, I ask unanimous consent to proceed for one minute more.

The SPEAKER. Is there objection?

There was no objection.

Mrs. KAHN. Since Mr. Gianini resumed the control of the Bank of America the deposits have increased over \$90,000,000. [Applause.] The Bank of America probably does a larger business with the farmers of California than any other bank, and its solvency and security are as important to the farming and mercantile interests of California as those of any other bank, on account of its great ramifications and the branch banks all over the State.

Mr. Speaker, I have felt compelled to make these remarks because criticism such as this is apt to work tremendous injury, not only to the Bank of America but to the entire State of California. [Applause.]

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Speaker, first of all, I thank the gentlewoman from California [Mrs. KAHN] for her commendation of my usual sense of fairness and of goodness. And next I want to relieve the newspaper boys from any charge of falsely reporting my interview with them. As a rule, the newspaper boys are always right. I can see readily how the one to whom I gave that interview may have misinterpreted my remarks. I did use the term "foreigners," but I did not use it in the sense as reported. I referred to this loan as going to a syndicate largely composed of foreigners, as I was informed. For years the bank in question has borne a foreign name. I did not know that the name had recently been changed from Italian to American, as stated by the gentlewoman from California.

I do not know the gentleman of whom the lady from California speaks so beautifully. I take it for granted that he is the high-type gentleman the lady from California pictures him, because if he were not the lady would not so describe him.

Mr. Speaker, as long as this subject is before us, I deem it appropriate now to give the House my own story of the origin and passage of my resolution to lift the blanket of concealment from the doings of the Reconstruction Finance Corporation during the dark months of February, March, April, May, and June, 1932. Nobody urged me to draft that resolution. Good or bad, it was my own legislative child. It is true that after the resolution had been drawn it was submitted by me to Senator GEORGE NORRIS, my magnificent Senator from Nebraska. Why did I submit it to Senator NORRIS? Because I was inspired to draft the resolution after reading his remarks on the day when he caused the Flynn article on the subject of Reconstruction Finance Corporation loans and commitments to be inserted in the CONGRESSIONAL RECORD just as Flynn had written his article for that staid and conservative old magazine, Harpers. I felt that the better mind of NORRIS might suggest improvement of my resolution by amendment. However, he approved it as written.

On the day when my resolution was introduced I was told frankly by many colleagues that it could never be passed by the House. Next day it came very directly to me that the resolution was regarded by those to whom it was directed in the light of a joke. At the end of seven legislative days the resolution became privileged under the rules of the House. I called for consideration the first moment possible under the rules. All of my colleagues will recall how gladly the legislation was received by the House, and how it went

through to passage like a sweet girl high-school graduate through a box of chocolates.

Then came the deluge. It came in form of more than one hundred personal friends, each telling me that he had no personal interest in the matter, but that he came in the name of some bank which he feared might be closed if the corporation loan to that bank should be made public.

Mr. Speaker, the mighty men of money, who are represented on the Reconstruction Finance Corporation Board, are keen students of humanity. It has been written that every man has one certain weakness. Those keen manipulators quickly discovered my pet weakness. They discovered that perhaps I might be purchased with the coin of friendship. For 10 days and nights the friends who appealed to me in behalf of the big interests, for which they spoke, made one general plea. They told me what a big man I would be in the eye of the country if I should arise in my place in the House and ask that my own resolution be crucified by so modifying it as to give the report for which the resolution called only to the eyes of Members of the Congress, withholding public inspection. It was a hard battle between real friends on the one side and a great principle on the other side. To refuse the requests for crucifixion of my resolution would distress my friends. To grant their requests would be to stab to the heart a principle long espoused by me, a principle which runs against the transaction of any manner of the public business in secret. I admit frankly that at times, in presence of some very dear, pleading friend I felt myself slipping, but in the end, thank God, loyalty to principle prevailed. Somehow every time a special plea would come to me to crucify my resolution and shield the borrowings of the big banks and trust companies from the public eye would also come a mental picture of some American farmer who had secured a puny feed or seed loan from Federal funds, only to find his name posted in all the neighboring elevators, giving notice to the grain buyers that the farmer had given a chattel mortgage to the Government, virtually warning the grain buyer to be careful about purchasing grain from that particular farmer. Such discrimination inflamed me, and made me strong to resist the arguments and the blandishments of those who believe that it is right on the part of the Federal Government to regard a farmer who contracts a Federal seed or feed loan as a loathsome carp in the family of fishes, while regarding the banker who borrows millions as a gaudy plumaged fowl.

I feel I should not leave this subject before paying credit where credit is mostly due for the lifting of the blanket of concealment from the loans and commitments made by the Reconstruction Finance Corporation during the dark days in the early months of 1932. My colleagues will recall that it was the Speaker of this House who was responsible for publicity of the corporation loans, beginning last July. That splendid Speaker has long been the implacable foe of secret transaction of the public business. Last July he lifted the blanket of concealment from all future doings of the corporation. My own little part has been only to throw off the blanket and let the light of publicity shine full and fair upon every loan and commitment made by the corporation prior to the good day in which Speaker Garner lifted the blanket partially. I felt when I presented my resolution that I was simply building upon the fine foundation firmly laid by my Speaker. And always when carrying on in harmony with the teachings of that greatest and best loved one among us here I go gladly, confidently, and always unafraid.

The SPEAKER. The time of the gentleman from Nebraska has expired.

PRIVATE CALENDAR

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to proceed for one minute in order to make an announcement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAINEY. Mr. Speaker, after consultation with the gentleman from New York [Mr. SNELL] and with others, it has been determined to devote one night each week to the call of the Private Calendar, possibly Thursday night of each

week until the end of the session, if nothing should interfere with selecting Thursday. If not Thursday, some other night. Next week the Private Calendar will be called on Thursday, and I move the adoption of the resolution that I now send to the desk.

The Clerk read as follows:

House Resolution 366

Resolved, That on Thursday, February 2, 1933, it shall be in order to move that the House take a recess until 8 o'clock p. m., and that at the evening session until 10.30 o'clock p. m. it shall be in order to consider bills on the Private Calendar unobjectioned to in the House as in Committee of the Whole, the call of bills on said calendar to begin at No. 575.

The resolution was agreed to.

LEE AND JACKSON

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks by including an address which I delivered before the Stonewall Jackson Chapter of the United Daughters of the Confederacy on January 21.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks, I am inserting an address I delivered before Stonewall Jackson Chapter, No. 20, United Daughters of the Confederacy, at Confederate Memorial Hall, Washington, D. C., January 21, 1933.

The address is as follows:

LEE AND JACKSON

A civilization should be judged by the character of the men it produces. "The true test of civilization," says Emerson, "is not the census nor the size of the cities nor the crops; no; but it is the kind of men the country turns out."

A country without heroic traditions is a country without liberty. A nation's place in history is determined by its leaders, and a people carve their own images in the monuments they erect to their heroes.

Robert E. Lee, the son of Gen. Henry Lee, known in history as Light Horse Harry Lee, was born in Westmoreland County, Virginia, January 19, 1807, and died in Lexington, Virginia, October 12, 1870, at the age of 63.

Thomas Jonathan Jackson, known as Stonewall Jackson, the son of Jonathan Jackson, a successful lawyer, was born January 21, 1824, in Clarksburg, Virginia, now West Virginia, and died at Guinea's Station on the Fredericksburg railroad, near Chancellorsville, Virginia, May 10, 1863, at the age of 39.

Lee, like Washington, was of English descent, and came from the aristocracy of colonial days. He married Mary Custis, the daughter of Washington's adopted son.

Jackson was the product of the American middle classes and descended from the Scotch Irish, who contributed much to the success of the Revolution.

Both were graduates of West Point. Lee finished second in his class and was assigned to the Corps of Engineers. Jackson was graduated seventeenth in his class and received a commission in the Artillery. Both saw active service, and had brilliant careers in the Mexican War. Lee continued in the Army and was the outstanding officer in the service when Virginia seceded from the Union. Jackson resigned his commission in the Army a few years after the Mexican War and became an instructor in Artillery Tactics and Philosophy at Virginia Military Institute in 1851, where he continued until Virginia joined the Confederacy in 1861.

Jackson, after two years in the Confederate Army, fell at the hands of his own men. Col. G. F. R. Henderson, of the British Army, who wrote an admirable life of him, said: "Stonewall Jackson was the greatest lieutenant general in all history."

Lee was in the Confederate Army the full four years and became the greatest soldier of his or any other age. For five years after the close of the war between the States he was probably greater in peace than in war.

THE MEN

Lee and Jackson were men of unusual personalities. They were both slightly under six feet in height and each had a military bearing. There was a striking difference in their personal appearances. Lee was graceful and handsome. His eyes were brown and his head was well proportioned. He was a man whom to see once was always to remember. Thomas Nelson Page, one of the foremost literary men of America, a student at Washington College under Robert E. Lee, says, "He was one of the handsomest men I ever knew and easily the most impressive figure." Mounted on the battlefield or seated in the classroom, he was an inspiration. His voice was calm. His presence was compelling. He was majestic and magnetic. Lee always presented a superb figure.

Jackson was erect and soldierly in bearing, with fair complexion, but his appearance generally was not prepossessing. His eyes were remarkable. All who came within their reach felt the force of his presence. "When I looked into his face," said a Federal prisoner, "my heart sank within me."

Lee was always careful in his dress and in his appearance. Jackson was indifferent as to both. The faded gray on both of them always appeared grander than the royal purple.

Lee possessed a greater intellect and more ability than Jackson. His thought covered a wider range and his accomplishments were more varied. He was familiar with the arts and sciences. Jackson knew philosophy. He was familiar with fewer subjects but of these he was the consummate master. Jackson cultivated the powers of concentration. He was a man of few words and when he reached a decision he was as immovable as the rock of Gibraltar.

If Lee had ability, Jackson had mastery. Many of the generals who fought with and against Jackson surpassed him in talent. He was not as widely accomplished as McClellan. He was not as scientific as Beauregard. He did not have the mental scope of Early, nor did he possess the intellectual powers of Joseph E. Johnston. But Jackson had qualities none of these possessed. He combined more than any of them cool audacity and determined resolution. His earnestness was unprecedented and it inspired his own soldiers, making them invincible, and at the same time it struck terror into the hearts of the enemy.

The northern soldiers regarded Stonewall Jackson as their most daring foe. In battle he seemed transformed if not transfigured. He was at his best when leading a charge or an attack. He was a soldier of the Oliver Cromwell type. The resolution of Stonewall Jackson has never been surpassed. His will has never been excelled. The enemy was half conquered before the battle was begun. He barely passed the initial examination for admission to West Point, but by persistence and determination he was graduated seventeenth in his class. His fellow cadets said of him, "If we had to stay here another year old Jack would be at the head of his class." At the basis of Jackson's achievements "there was the will to do, the soul to dare."

Lee was grand, Jackson was daring. Lee was preeminently the soldier, Jackson was preeminently the conqueror. Lee calculated, Jackson ventured. He was like an avalanche from some hidden or unexpected quarter. To the enemy he was like a thunderbolt from a clear sky. When the Union armies heard the ominous words, "Jackson is moving," they retired to their fortifications. The enemy feared him as the fox fears the bloodhound. His very name was synonymous with victory. He never really lost a battle. He never really suffered defeat. He and his troops went into battle with a moral power that was unconquerable. As he rode at the head of his columns, his hands were uplifted, and over and over again he would cry, "Forward, men; forward; press forward!" He always followed up his battles to the fruits of victory. When President Davis reached the battlefield of Manassas, as he crossed a stream, thinking that the Confederates were in retreat, he stood in his saddle and exclaimed with much agitation, "I am President Davis; follow me, soldiers!" as he advanced toward the enemy. Jackson, standing near, calmly replied, "We have beaten them to a frazzle. Mr. President, if you will give me 10,000 troops, I will be in Washington city by to-morrow night."

Great men must have other qualities than unusual personality and great ability. Moral virtues are essential. Men can not really be great without great characters. Honesty, bravery, kindness, and modesty must obtain. Lee and Jackson possessed all of these qualities.

Nature made Robert E. Lee both good and great. Jackson had the most marvelous individuality of any man of his time. He is unique in military annals. Each was the idol of his troops. Their soldiers followed because Lee and Jackson always led.

Neither Lee nor Jackson had the vices or imperfections of many other great men. They both abhorred profanity and seldom took wine or strong drink. They were preeminently Christian gentlemen. No historian would think of writing The True Lee or The True Jackson. They were always the same whether in the home or on the battlefield, whether in peace or war.

The army and the people had confidence in Lee and Jackson. Never were soldiers more devoted to commanders; never were people more loyal to generals.

After the second battle of Manassas General Jackson advanced into Maryland. An amusing story was told of him as he was on this march. He and his staff found themselves behind the troops, artillery, and supply wagons. The road was narrow and it was impossible to get to the front. General Jackson said it was absolutely necessary to reach a point ahead at a certain time, and he ordered his staff to throw down the fence, and rode along the edge of the field. The field was in oats, and when they reached the far end, they were in front of the owner's house, who came forward and asked them, in not very conventional language, what they were doing riding in his oats. He said, "You are nothing but commissaries or quartermasters, for no good soldiers would destroy private property." Addressing himself to Jackson, he asked his name. The general replied that his name was Jackson. "What Jackson? What is your full name? I am going to report you to General Jackson."

"Well," said the general, "they call me Stonewall Jackson."

The staff had all gathered around, much amused, and the owner, suspecting something, asked General Jackson "if he was Stonewall Jackson from the valley?"

"Yes, sir; I commanded in the valley."

The man immediately took off his hat, exclaiming:

"Hurrah for Stonewall Jackson! Hurrah for Stonewall Jackson! Ride all over the damned old oats, general. Trample them into the ground. Do anything you like here, but get off and take a drink with me."

After a great deal of persuasion, the general dismounted and took a drink with him—of buttermilk.

A story is told of General Grant when directing operations in the Wilderness in 1864. It was said Grant was riding behind his lines and, observing a young fellow plowing in the field, he reined in his horse and asked him his name. The young man told him. The general then asked what he was doing. The man replied, "Trying to raise some corn to feed our family, myself, and my horse next winter." General Grant was riding off when the young man asked him, "You have asked my name; can I know yours?" Grant replied, "They call me Grant."

"What Grant?"

"General Grant."

"Are you the general commanding that army over there?"

"Yes, sir; I am the man."

"Well, General, I would like to ask you a question; where are you going?"

"Well," replied the general, "That would be hard to tell. I may be going to Richmond; I may be going to Petersburg; I may be going above," pointing with his hand, "or I may be going the other way."

"You can't go to Richmond," said the young man, "because General Lee is down there; you can't go to Petersburg, because General Beauregard is there; I know you can't go to heaven, because Stonewall Jackson is up there; you may go below, for I never heard of a Confederate officer or soldier being in hell."

The friendship between Lee and Jackson was close. Their relationship was intimate. Their attitude toward each other was a halo of glory around them both. Jackson said of Lee: "Lee is a phenomenon. I would follow him blindfold." Lee said of Jackson when wounded: "Jackson has lost his left arm. I have lost my right arm." He wrote to Jackson: "Could I have dictated events, I should have chosen for the good of the country to have been disabled in your stead." "Far better for the Confederacy," exclaimed Jackson when he read the note, "that ten Jacksons should have fallen than one Lee." Sometimes they differed, together they were invincible. If Lee commanded, Jackson executed. They spent the night before the Battle of Chancellorsville together. Capt. James P. Smith, on the staff of Jackson, relates that some time after midnight he was awakened in the chill of the morning. He says that he caught a glimpse of a little flame on the slope above him. Sitting up, he saw bending over a scant fire of twigs two men seated on cracker boxes, warming their hands over the fire. He recognized the figures of Robert E. Lee and Stonewall Jackson. They planned while their men slept. The scene is one for a master painter. It should be immortalized on canvas. The story of that last council of war is told in the victory of the following day.

No nobler general ever lived than Robert E. Lee; no braver soldier ever fought than Stonewall Jackson.

Lee was the supreme gentleman. The knightliest and the gentlest in Virginia's civilization found its flower in Robert E. Lee. Jackson was the ideal soldier. The bravery of Virginia found its full fruition in Stonewall Jackson.

Lee and Jackson shared the hardships of their soldiers. In his campaign between the Rappahannock and the James, with colonial mansions at his command, Lee slept in his tent among his soldiers. Jackson often slept in his saddle and frequently rested at the foot of a tree. Neither demanded more for themselves than they asked for their soldiers. General Lee's own son was captured. The Federals offered to exchange him for an officer of equal rank. Lee declined. He said that he could do no more for his own son than for any other soldier.

Lee and Jackson were kind and thoughtful. On the march to the First Battle of Manassas, Jackson was informed that the soldiers of his brigade, worn out from the march, had fallen asleep on the ground and there was no guard about the camp. He replied, "Let them sleep; I will watch." He rode around the camp, a lone sentinel for his brigade, while his men slept.

Lee and Jackson were ever ready to lead their men. Frequently they exposed themselves to danger. Jackson was never happy unless at the head of his troops. "General Lee, go back and we will advance," his soldiers often said, and then they would go forward into battle and into death. His soldiers loved Lee as soldiers never loved another general. His soldiers believed in Jackson as soldiers never believed in another general.

An army surgeon relates that while the Battle of the Crater raged, General Lee rode to the rear of the line where the wounded lay, and, dismounting, moved amongst them. "Doctor, why are you not doing something for this man?" he said, pointing to one sorely stricken. The doctor raised his gray jacket and pointed to the ghastly wound which made life hopeless. General Lee bent tenderly over the wounded man, and then, in a voice tremulous with emotion, exclaimed: "Alas! poor soldier! May God make soft his dying pillow."

At Gettysburg, Lee, who had sent his men into a hundred charges and watched them cut their way to victory, after Pickett's charge, was in retreat. A Union soldier badly wounded lay in his path. The soldier relates that he shouted "Hurrah for the Union," as Lee came near. The general dismounted and approached the wounded enemy. "I thought he meant to kill me," the soldier reported later. "But he looked at me with a sad expression and grasped my hand."

"My son," said Lee to the wounded man, "I hope you will soon be well."

The wounded Yankee wrote, "I cried myself to sleep there on the bloody ground."

Lee was noble in retreat as he was grand in victory. General Grant, after the war, said that the sentence, "It is all my fault," uttered by Lee after Gettysburg, was the greatest speech made by any general during the war.

The personal characters of Robert E. Lee and Stonewall Jackson far surpass other generals of history. Their influence and their example were felt by both students and soldiers. Jackson had taught for ten years before the war and probably Lee's greatest contribution came after the war when he taught the youth in peace as he had led them in war.

THE PATRIOTS

Lee, like his father, the friend of Washington, loved Virginia first. Light Horse Harry Lee said: "Virginia is my country. Her will I obey, however lamentable a fate it may subject me to." His son said: "I look upon secession as anarchy. If I owned the 4,000,000 slaves of the South, I would sacrifice them all for the Union; but I can not draw my sword against Virginia."

Lee favored the Union. He opposed secession. Lee would no sooner draw his sword against Virginia than Douglas would have drawn his sword against his native Scotland.

Never since the temptation of the Son of Man upon the Mount, when He saw all the kingdoms of the world and the glory of them, to turn away to the agony of Gethsemane and the Cross of Calvary, has a man been subjected to such temptation and such an ordeal as Robert E. Lee, when he was offered the command of the Union Army by Abraham Lincoln. I often pass by the building in the city of Washington in which Lincoln's offer was submitted by Francis Preston Blair. Lee's life had been spent in the Army. On the one hand was the realization of his ambition to be the commander in chief of the Army. His home was just across the Potomac from Washington. He thought of the command of the Union armies, with unlimited men and money; he thought of his own beloved Arlington. On the other hand, there was Virginia, the land of his fathers. He thought of the misery of his own people.

Winfield Scott and George H. Thomas were Virginians, but Robert E. Lee was a different Virginian. He was of the Washington mold. His first duty was to his native State. He declined the offer of Abraham Lincoln to accept the sword of Virginia. He exchanged ambition for service, glory for immortality.

Gen. Winfield Scott, commander in chief of the armies of the United States in the Mexican War, and for many years thereafter, had said of him: "He is the greatest soldier now living, and if he ever gets the opportunity he will prove himself the greatest captain of history."

For ten years before the war Stonewall Jackson mingled with the people. He knew the sentiments of the South. He was an intense advocate of State rights. He saw the approaching conflict. He believed in the Confederacy. He was animated by the conviction that he had been raised up to defend the Southland. No man in the South took a keener interest in the approaching strife than Jackson. He said: "As a Christian I abhor war, but as a soldier I love war."

Duty was the guiding star in Lee's career. He wrote to his son in 1852: "Duty is the sublimest word in the English language." Conviction was the controlling influence in the life of Jackson. If Lee fought from duty, Jackson fought from conviction.

Preeminent as patriots, Lee and Jackson became foremost as generals.

THE GENERALS

Lee and Jackson were trained soldiers. For years before the War between the States they were students of the campaigns of Napoleon. They were thoroughly familiar with his tactics and his battles. They regarded him as among the greatest of military commanders. Unconsciously by training, by experience, and by study each was being prepared for leadership in the inevitable conflict between the North and South.

The fame of Robert E. Lee rests upon his battles in the defense of Richmond. His most famous campaign and his most effective victories were in 1864, as he engaged Grant from the Rappahannock to the James. The armies met on May 4, 1864. Grant had 222,000 men. Lee had but 70,000. From June 3 to June 10 Grant had lost 117,000 men, while Lee had lost but 19,000. On this campaign alone Lee's eternal fame as a general is secure. He demonstrated his ability, and he is entitled to a place above Marlborough, Wellington, or Napoleon.

Theodore Roosevelt, in speaking of Lee, said: "He was the greatest of all the great captains that the English-speaking people have brought forth. As a mere military man Washington himself can not rank with the wonderful war chief who for four years led the Army of Northern Virginia."

Lord Wolseley said of General Lee in 1862, when he visited the Confederate Army: "Lee was the ablest general and to me seemed the greatest man I ever conversed with, and yet I have had the privilege of meeting von Moltke and Prince Bismarck. General Lee was one of the few men who ever seriously impressed and awed me with their natural and inherent greatness."

The fame of Stonewall Jackson rests upon the First Battle of Manassas, his celebrated valley campaign, and the glorious victory at Chancellorsville. He turned the tide and won the battle at Manassas July 21, 1861. When the Confederates were falling back, Gen. Bernard E. Bee met Jackson and found him cool and composed. General Bee said, "They are beating us back." Jackson replied: "Then, sir, we will give them the bayonet." Jackson's bravery and determined bearing inspired Bee. He turned in his saddle and rallied his officers. Riding in the midst of his troops he pointed with his sword toward the Virginians. "Look," he

shouted, "there is Jackson standing like a stone wall. Rally behind the Virginians." The men took up the cry and a glorious victory was won.

Napoleon said of his faithful lieutenant Ney: "His presence on the battlefield alone was worth 20,000 men." But Jackson was superior to Ney. He could not only plan but he could execute. This was beyond the power of the great French marshal.

Jackson fell at the very noon of his glory. The bullets of the enemy had left him unscathed on many a battlefield and in many a charge. At the very climax of his brilliant career, when he had won the admiration of friend and foe, the confidence of his superiors, the adoration of his own troops, and the applause of the world, he was wounded by his own soldiers by mistake. He was pressing the victory at Chancellorsville to the limit. He was riding long after the sun had set to crush the enemy. About 8 o'clock on the night of May 3, by his own men through mistake in the dark, General Jackson received three wounds at the same time. One bullet went through the palm of his right hand, a second passed around the wrist of his left hand, and a third passed through the left arm halfway between the shoulder and the elbow. It splintered the bone to the elbow joint and severed the artery. He was carried to the home of a friend at Guinea's Station, where pneumonia set in and he died on Sunday, May 10. Dr. Hunter H. McGuire, medical director of Jackson's corps, who attended Jackson said: "Modern surgery would have saved the life of Stonewall Jackson."

The greatest blow that befell the Confederacy was the death of Jackson. He was largely responsible for the victory at Chancellorsville. Lee accorded him the glory. Jackson knew the country and was familiar with the battlefields. He had studied the regions around Chancellorsville carefully the preceding winter, as Wellington had familiarized himself with the battlefield of Waterloo.

When it was announced that Jackson could not live there was universal sorrow in the army and throughout the Southland. A little girl said: "I wish that God would let me die in his stead, because then only my mother would cry, but if Jackson died all the people of the country would cry." When he fell all the people did weep, from the humblest child of the Southland to the commander in chief of the armies and the president of the Confederacy, both of whom wept as only brave and strong men could weep. There was universal sorrow from the sea captain who had never seen his face to the English lord whose name is a familiar word on both sides of the Atlantic, who remarked when the sad news came to him, "Jackson was in some respects the greatest man America ever produced."

Brave in life, Jackson was brave in death. Like Wolfe at Quebec, Jackson "was content to die," and the light of his marvelous life and brilliant career went out as he said: "No, no; let us cross over the river and rest under the shade of the trees."

Jackson's valley campaign has been studied in the textbooks and leading war colleges of both the Old World and the new. When General Ewell was asked as to Jackson in the valley campaign, he replied in his impetuous manner, "Well, sir, when he commenced it, I thought him crazy; before he ended it, I thought him inspired." It is said by military critics that Jackson's campaign in the valley was the finest example of strategy of which the world has any record. It is studied as a model in the military schools of England and Germany. Von Moltke, perhaps the greatest of modern masters of strategy, is reported as saying that Jackson's campaign in the Virginia Valley is without a rival in the world's history.

The brilliant strokes of the army of northern Virginia, after Lee assumed command, had been executed by Jackson. Except at Gettysburg, and as Mr. Swinton has observed "Lee ventured upon no strokes of audacity after Jackson passed away."

Jackson was at his best on the battlefield. He may not have possessed a versatile or a comprehensive mind, but he was the most successful commander that ever led an army. Lee often made the statement, "If I had had Stonewall Jackson with me, I could have won the Battle of Gettysburg, so far as man can see."

There are acts of bravery and deeds of heroism in peace as well as in war. It frequently takes more bravery to do one's duty in the quiet walks of life than on the field of carnage. It takes greater courage to do one's duty when alone or away from one's fellows, than when urged on by one's companions or followers. The fine spirit of heroism is exemplified by Cambronne when he exclaimed, "The guard dies, but never surrenders." The soldier discovered in the ruins of Pompeii, as he stands there buried at his post, amid the hot waves of lava that overwhelmed him, tells the story of Roman valor in grander language than the ruins of the Forum or the Coliseum. The brave Captain Herndon, the last on deck, thinking first of his passengers, deliberately chose death before dishonor with calm courage as he went down in the ocean's depth, is a truer picture of heroism than Caesar leading his legions or Napoleon at the Bridge of Lodi.

There are heroes in defeat as well as in victory. Lee endured the shafts of criticisms without complaint. He was denied the privileges of citizenship accorded to his former slaves, although he advised loyalty and allegiance to the Union after the war. In defeat he exemplified his own statement, "Human virtue should be equal to human calamity."

The cause for which Jackson died and Lee fought was lost, but they are honored as no other military chieftains in history. As General Lee rode from Appomattox to Richmond on his favorite horse, Traveler, he was applauded by the remnant of his soldiers and by the people.

It takes a great general and a great army to win a great victory. The soldiers of the Army of Northern Virginia were the best

trained and the bravest soldiers who ever fought. Lee was grander in defeat than in victory. He had surrendered to overwhelming numbers, but his soldiers loved him still. The people worshipped him. They cheered him as he entered Richmond from Appomattox. Unions and Confederates alike bared their heads and applauded Robert E. Lee as he entered and rode along the streets of Richmond, the fallen capital of the Confederacy. Gen. Sir Frederick Maurice, of Great Britain, remarked: "This is the one instance in history in which people flocked to cheer a defeated general."

After the war the word of Lee carried greater weight among the people than the proclamations of governors or orations of senators. His advice was regarded as final in the tragic days of reconstruction.

Lee and Jackson both had ambition, but their ambition was unselfish, the one to do his duty, to defend his beloved Virginia, the other to defend the Southland. Lee and Jackson, preeminently soldiers, were ambitious to conquer in a righteous cause.

Great in war, Lee is noble in peace. He is the ideal man. We might well paraphrase the language of his father, Light Horse Harry Lee, in his eulogy on Washington, "Robert E. Lee was first in war, first in peace, and first in the hearts of his countrymen." Whether declining the command of the Federal armies, whether turning away from his beloved Arlington to fight the battles and share the miseries of his own people, whether proclaiming on the heights of Gettysburg that the fault of the disaster was all his own, or whether refusing the offer of a commercial post, carrying a salary of \$50,000 a year, to accept the presidency of Washington College at a salary of \$1,500 annually, to teach the youth of the Southland in the arts of peace as he had led the flower of the young manhood of the South in war, he is always the same grand and heroic spirit.

Lee and Jackson are together in death as they were in life. In their last moments they thought of their soldiers and of their battles. Jackson whispered, "Order A. P. Hill to prepare for action." Lee murmured, "Tell Hill he must come up."

They are both buried in Lexington, Virginia, in the valley where Jackson made himself famous in less than two years, and in the State on whose battlefields for four years Lee wrote his name among the immortals.

On this memorial occasion, in honor of the anniversary of the birth of Stonewall Jackson, January 21, we are reminded that the anniversary of the birth of Robert E. Lee is January 19. We recall their noble qualities and their splendid characters rather than their military victories. We are thinking of their greatness and nobility as men rather than as commanders. Lee and Jackson were among the greatest generals, but they were both superior as men. Great men are like the wind, small men are like the grass. The grass, when the wind passes over it, bends. Lee, the soldier, was great, but Lee, the man, was greater. His St. Helena at Lexington was more splendid and more glorious than his Austerlitz in the Wilderness. Robert E. Lee, the general, stands among the greatest captains of all times, and while greater as a man, he was not superior as a general to Stonewall Jackson.

The twin heroes of the Confederacy, Lee and Jackson, the Virginians, as Lee and Jackson, the Americans, are the noblest legacy of the War between the States.

H. R. 14363

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating some remarks I made before the Appropriations Committee on the Commerce Department bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. BRIGGS. Mr. Speaker, at no time have the people of the United States been more concerned with revival and development of foreign and domestic trade than at present; and it is of the greatest importance that the agencies which materially contribute to that result be preserved to the people. Feeling that information presented by me to the Committee on Appropriations will be of general interest, I am, with the permission of the House, incorporating it in my remarks.

STATEMENT OF HON. CLAY STONE BRIGGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. OLIVER. Mr. BRIGGS has a matter that he wishes to present to the committee. Will you proceed, Mr. BRIGGS?

Mr. BRIGGS. Gentlemen, I am appearing here this morning in behalf of the appropriation for the Bureau of Foreign and Domestic Commerce with respect to the district offices which obtain in that department.

It is not necessary for me to bring to your attention the fact that the Department of Commerce has organized throughout the United States a number of district offices so as to promote, through the facilities which they have, the commerce of the United States and to encourage and develop trade. I am also appearing in behalf of the offices which they have established abroad.

Among the district offices are several in Texas, one of which is located at Galveston. The chairman indicated a while ago that he and the committee were interested particularly in the dollars and cents return to the people from that activity.

The expenditure which the Government makes for the support of the Galveston office has been about \$8,000 a year. It is not that much now, Mr. Chairman, because under the economy program in the Department of Commerce one of the employees in that office was released. It probably is somewhere between \$5,000 and \$6,000 a year. They have now, I think, only the district manager and a stenographer in that office. That has handicapped its activities materially; but just the same, even if we have to work with these forces largely skeletonized, I feel that as long as we keep the directional force and the power there of carrying on that work, you are contributing very materially to the progress of American foreign and domestic trade.

VALUE OF GALVESTON OFFICE

Year before last the records show that the activities of the Galveston office resulted in an increase of trade to various citizens and business firms of this country amounting to nearly a million dollars; it was nine hundred and some odd thousand dollars, I think. Well, as everybody knows, the national depression has been felt even more acutely in the past year than it was the year before; but in spite of that fact, this office at Galveston aided the business firms of Texas and in my locality to obtain business amounting to \$1,687,285.05.

Now, that is concrete information. It is not speculative. When I was home this summer I made a special point of ascertaining from business men what they thought about the service of this organization and of the district office there, and they told me that its value to them was constantly growing.

I would like to cite a few instances.

I would like to read a short letter first, which tells very concretely how valuable this agency has been. It is a letter from Mr. E. W. Rhodes, the general soliciting agent of the Galveston Wharf Co., dated July 19, 1932.

"During the fiscal year ended June 30, exports in a number of major items, such as sulphur, flour, and metals, suffered large decreases because of world-wide economic conditions. Commodity values also declined. But by forming new contracts we enjoyed large increases in exports of grains, cotton, rice, packing-house products, and a few less important commodities. We consider \$1,200,000 a conservative estimate of the value of this new business combined with savings effected through the operation of your department.

"Also, we congratulate you upon the efficient manner in which your department has functioned."

This letter was directed to the district manager at Galveston of the Bureau of Foreign and Domestic Commerce.

Now, that is not a platitude. That is a statement of concrete facts given to the people of the United States in regard to the result of the expenditure of their money.

There is another concern in Galveston that operates on a very large scale; that is the Texas Star Flour Mills. These mills testify:

"The amount of this [new] business which we believe should be credited to the services of your bureau during the past 12 months was approximately \$210,000."

That is signed by Mr. J. Haviland, president and general manager of the Texas Star Flour Mills.

At Galveston there are several large packing concerns that pack shellfish—shrimp particularly. They are all out for development of markets, and as everybody knows, again, the difficulty of obtaining markets anywhere is extremely great. One of these concerns, the Food Products Co., state in their letter:

"There is directly chargeable to your offices a total business available to us of \$60,500, which we feel under present conditions is very flattering."

They closed a contract recently with Japan for 30 tons of frozen shrimp at a valuation of \$6,000. They continue:

"We are also negotiating for another contract which will amount to \$20,000, and have already made shipment of some 15 tons approximating \$4,500. There is pending still another contract which will approximate \$30,000."

There is another concern, a tractor concern, Atlas Trailers & Water Mufflers (Inc.), that credits to the Galveston office of the Department of Commerce business to the amount of \$20,000.

Here is the Galveston Fisheries, another fish-packing concern, which testifies that through the good offices of the Bureau of Foreign and Domestic Commerce it was able to adjust claims abroad that they otherwise would have lost, amounting to \$15,000.

Let me show you the variety of the service rendered—and I shall not attempt to go into any great detail, because I know you are not concerned in that; you are concerned in the general value of the services. Here is one concern that had some very extensive litigation in France over large shipments of cotton that they had made to that country. One of the first things it encountered there was the exorbitant character of the bond in carrying on some necessary litigation. The French required it to make a bond of 500,000 francs. Through its counsel it got it reduced to 250,000 francs. Finally it called on the good offices of the Department of Commerce—the office right there at Galveston of the Bureau of Foreign and Domestic Commerce—and they got it reduced to 20,000 francs.

Mr. CANNON. That was quite a drop from 500,000 francs.

Mr. BRIGGS. From 500,000 down to 20,000.

I want to call your attention to another instance. Last summer the representative of one of the largest grain importing concerns in the United States, the Continental Grain Co., came to me and said, "We are in quite a predicament, Congressman, and I wonder if you can help us." I said, "What is it?" He said, "Last year we developed quite a nice business from Texas and some portions

of the Southwest in the export of milo maize and kafir corn. We shipped about 7,000,000 bushels to Germany, but Germany now, by a new order in council, or whatever they call it over there, has embraced those two commodities in what is known as the corn monopoly. Germany conducts a corn monopoly, and that is ruining that export business. The farmers in Texas had no export market at all for kafir corn and milo maize until this time. We shipped out for the first time last year 7,000,000 bushels. We want to continue to do that business this year, and we do not know how we are going to do it, and we want to know if you can help us."

I said, "Why don't you gentlemen step across the hall here and consult the district manager of the Department of Commerce?" "Well," he said, "we call on him for a great deal of service. This last year he gave us benefits amounting to about \$200,000 in the service he rendered in establishing contacts with Mexico, and that business may run up to \$2,000,000, but it had not occurred to us to deal with them on this proposition." I said, "Suppose you do it," and he said, "I will."

The Department of Commerce took that matter up for them. Germany came into the market and bought a hundred thousand tons of corn to supply the corn monopoly in Germany, but when that came in she was going to buy corn alone, not including milo maize and kafir corn. As a result of the representations of the Department of Commerce, through the Galveston office, she allowed kafir corn and milo maize to go in with it, as well, which saved markets for those people that otherwise could not possibly have been saved. As you know, Germany has a system of rationing or prorating the materials that go into certain things, like wheat flour. She makes a large percentage of potato flour of German origin to go into the imported wheat flour, in combinations. The breads and things of that kind over in Europe, from the experience I have had with them, are usually atrocious, but they are sustaining, and the people buy them, and they consume a considerable amount of our commodities. If we do not have agencies like these district and foreign offices to deal with these things, we do not get anywhere.

Let me give you another illustration. The present year China undertook to impose visa regulations upon shipments and documents, manifests and things of that kind abroad. She levied an import tax of a certain character which needed consular representation in the United States. Now, China only has in the United States, or did at that time, about six consuls. She regarded them as very important, and she did not have a great number of consuls scattered throughout this country. It was very essential that the commerce moving through Galveston to China in such large volume should have consular representation. Texas had none whatever. The nearest was nearly 500 miles away, at New Orleans, and the next at Chicago.

We took that matter up. They took it up with me. I took it up both with the State Department and with the Department of Commerce. The Department of Commerce got particularly busy. I took it up, of course, with the Chinese minister here in Washington as well. It needed every agency. I found that the service that the Department of Commerce rendered through their far eastern representative here was invaluable in that matter, both at home and through the commercial attaché or trade commissioner in China, in bringing home to the Chinese Government the essential character of consular representation at Galveston. For instance, to expedite that business, so that shipments would not lay over for three or four weeks, possibly, with the chance that the shipment might be lost entirely, by reason of not having some one there to visa these documents at the time when they were needed.

Now, China did a business of something like \$18,000,000 through Galveston last year in the purchase of cotton, and it was a very material thing to China, therefore, to have that business expedited, and it was worth a good deal to our people. The Department of Commerce also secured the cooperation of the State Department in an active and efficient way, and between them the consular representation was adopted and provided.

If you gentlemen will permit me, I would like to put in the record a statement of the business handled through the Galveston office and other Texas offices, which was compiled for me by the Department of Commerce. It shows the Galveston office, the Houston office, the Dallas office, and the El Paso office—Representative THOMASON will be here and appear for some of these items—and it puts it in a concrete way.

I do not know whether you gentlemen would like to have in the record all these dollar-and-cents results reported from the various district offices in the United States. I have them here, if you would like them.

Mr. CANNON. For the entire United States?

Mr. BRIGGS. For the entire United States; the various offices in the United States.

Mr. OLIVER. That may go in the record.

The matter referred to is as follows:

Dollars and cents results reported by Texas offices, fiscal year 1931-32

District office	Firms served	Firms reporting	Amount reported	Average benefit per firm reporting	1932-33 office budget
Galveston	36	12	\$1,687,285.05	\$140,607	\$5,302
Houston	253	57	1,111,903.50	19,507	19,256
Dallas	142	34	482,557.69	14,193	12,066
El Paso	84	50	139,451.00	2,789	4,953

"A Galveston shipping concern reports: 'We consider \$1,200,000 a conservative estimate of the value of this new business combined with savings effected through the operation of your department.'"

"A flour-milling company writes: 'The amount of this business which we believe should be credited to the services of your bureau during the past 12 months was approximately \$210,000. Through information your office furnished us last year on foreign tariffs, exchange regulations, etc., we estimate we were saved approximately \$1,500. Then you personally rendered us an additional service by putting us in contact with a near-by casting manufacturer who could replace a casting that smashed up and caused a complete shutdown of the mill last July. We were enabled to resume operations five days sooner and effected a saving in transportation costs on the part, all of which resulted in a saving to this concern of \$5,000.'"

"An exporter of cotton reports: 'We made the following sales which resulted either directly or indirectly from your cooperation and assistance: To Bombay, 500 bales of cotton, \$22,240.26; to Oporto, 200 bales of cotton, \$8,244.79."

"We feel that you are entitled to credit for this business and we take pleasure in expressing herewith our appreciation for your assistance."

"A sulphur company of Houston states: 'I can truthfully say as far as I am able to judge by the research work I have done, the information made available through your department and its branches throughout the world has undoubtedly resulted in at least \$100,000 worth of business.'"

"A flour miller reports to the Dallas office: 'We are pleased to tell you that the connections you have helped us to make in Europe and Latin America during the last 12 months have enabled us to do a volume of business which we estimate at \$50,000.'"

"A firm of general exporters in El Paso has the following to say: 'It is estimated that the total amount of our sales as a result of the services performed for us by your bureau at home and abroad amounted to approximately \$50,000 actual on \$500,000 potential.'"

District office	Firms served	Firms reporting	Amount reported	Average benefit per firm reporting
Atlanta	191	15	\$574,125.72	\$38,275.05
Birmingham	125	20	1,142,031.00	57,101.55
Boston	1,915	98	2,552,687.20	26,047.83
Buffalo	365	19	421,399.01	22,178.90
Charleston	61	4	24,900.00	6,225.00
Charlotte	184	7	179,023.99	25,574.86
Chicago	2,146	79	934,182.98	11,825.10
Cincinnati	331	13	128,690.00	9,899.23
Cleveland	663	17	311,953.00	18,350.18
Dallas	142	34	482,557.69	14,192.87
Denver	98	7	61,106.26	8,729.47
Des Moines	305	21	177,046.27	8,430.77
Detroit	896	37	2,567,870.00	69,401.89
El Paso	84	50	139,451.00	2,789.02
Galveston	36	12	1,687,285.05	140,607.09
Houston	253	57	1,111,903.50	19,507.08
Indianapolis	534	67	718,141.93	10,718.54
Jacksonville	176	17	660,107.03	38,829.83
Kansas City	850	25	189,880.00	7,595.20
Los Angeles	551	28	469,237.05	16,758.47
Louisville	213	10	329,972.00	32,997.20
Memphis	287	105	1,625,731.75	15,483.16
Milwaukee	509	10	445,452.21	44,545.22
Minneapolis	432	26	308,683.58	11,872.45
Mobile	76	21	384,706.00	18,319.33
New Orleans	308	30	731,622.00	24,387.40
New York	7,183	329	13,541,436.09	41,159.38
Norfolk	357	33	1,534,592.00	46,502.79
Philadelphia	1,201	160	3,450,115.92	21,563.22
Pittsburgh	735	54	563,894.22	10,442.49
Portland	180	16	2,304,975.00	144,060.94
Salt Lake City	24	1	20,000.00	20,000.00
San Francisco	724	80	2,745,960.00	34,324.50
Seattle	534	26	2,214,035.79	85,155.22
St. Louis	629	197	1,637,406.62	8,311.71
Wilmington	92	13	244,600.00	18,815.38
Total	24,725	1,738	46,616,761.86	26,822.07

Mr. BRIGGS. I am not going to read, Mr. Chairman, from this report of the Secretary of Commerce referring to the Bureau of Foreign and Domestic Commerce, except to say that on pages 57 to 61, inclusive, will be found the statement of many services which this bureau has rendered in a concrete way in dollars-and-cents return to the American people, the users of these services.

Mr. CANNON. You do not connect that with the cost of maintaining those offices which supply that service?

Mr. BRIGGS. I am referring to this as evidence of the return that the people are getting upon the investment which they are making in this service.

They refer in the report to "intangible results." Some of those I have brought to your attention in the instances which I have given to this committee.

Now, gentlemen, I would like to say this to you: I notice that Congressman CANNON is somewhat interested in what foreign governments are doing also with reference to this trade promotional service.

Mr. CANNON. Foreign governments in the United States.

TRADE PROMOTIONAL SERVICE IN FOREIGN GOVERNMENTS

Mr. BRIGGS. Yes. Well, I do not know that it has been analyzed in that way, Mr. CANNON.

Mr. CANNON. This activity of foreign governments in the world, then?

Mr. BRIGGS. Take, for instance, Great Britain. Great Britain herself is spending about seven and a half million, or 16 cents per capita, according to the figures that I have here, for trade promotional work, in the Department of Overseas Trade, Empire Marketing Board, Imperial Conference, Colonial Development, and so forth.

Mr. CANNON. You have no figures to show what part of that is spent in the United States?

Mr. BRIGGS. No; I have not, but I imagine quite a large part of it is. A very large part of it is undoubtedly spent in the Far East and South American countries, as you gentlemen know from the visits of the Prince of Wales and others, to hold the trade she has gathered and to increase that trade. South America is one of the most fertile fields, and a lot of that country down there is a country where we must extend our markets—in the South American and Central American countries.

I feel very strongly that there is no service in this Government that pays better returns to the people than the investment in this service. It is not a large investment. This report shows that they have gotten voluntary reports from people in the United States who have used these services with returns amounting to \$59,000,000, and they estimate that that is only about 10 per cent of those actively served who have obtained valuable returns.

UTILIZATION OF STATE DEPARTMENT FOR COMMERCE PROMOTION

One other phase of the question: I notice that Congressman CANNON referred to the organization of the State Department, raising the question as to why it could not be utilized to a larger extent than it is for trade-promotion purposes. As everybody knows, the State Department is cast upon entirely different lines from a trade-promotion organization. It is cast upon lines largely in the sense of diplomatic relations, and even where the consuls are concerned, they have a number of social functions to perform, and they perform a great deal of routine work in visasing documents, shipping documents, and things of that kind.

Mr. CANNON. Is it not true that their staffs are made up of experts along many and diverse lines, including not only diplomatic but also commercial and business activities?

Mr. BRIGGS. I do not think that they are made up so much along the lines of business experience and trade contacts of that kind as they are of ability to handle consular documents, invoices, and so forth, and make reports of various characters. But the experience that I have had with people who utilize the State Department is that it is infinitely slow as compared with the service given by the Department of Commerce; and, Mr. Cannon, you know and I know that if you are going to transact business in these days you have got to transact it speedily, and when the people want it transacted, you can not wait until the other fellow sits down and writes a long report and files it six months later. That is the way some of those reports come in, and that is not business. I think that is a waste of your money.

Mr. CANNON. Do you not think we might well take measures to expedite that service and speed it up?

Mr. BRIGGS. We have been trying it for 125 years, and I think we have accomplished it to some extent. I think some of the provisions that have been put in the statutes with reference to the State Department have helped. But it has certainly not displaced the function of the Department of Commerce. I think its work has been exceedingly valuable to the people of the United States.

RELATION WITH AGRICULTURE DEPARTMENT

Mr. CANNON. Mr. BRIGGS, you would also say that the work of the representatives of the Department of Agriculture is equally important in this field?

Mr. BRIGGS. Mr. CANNON, there is nobody, I think, who is more in sympathy with agriculture than I am, because I come, as you know, from the greatest agricultural State in the Union. Missouri is a great one, too.

Mr. CANNON. I was going to ask that you qualify that statement.

Mr. BRIGGS. I am not going to challenge that. People say that it is the size of Texas that accounts for it. But, at any rate, I am deeply interested in agriculture, and I have no complaint to make on account of the efforts that are made to put experts in agriculture in different fields throughout the world to help our trade. What the results have been in that direction I am not so familiar with.

Mr. CANNON. They have been very satisfactory.

Mr. BRIGGS. I assume that, and I am not quarreling with it. If you want my vote in Congress for that service, you are going to get it, because anything that stimulates and promotes the trade of this country and helps us to get foreign markets and markets at home, to my mind, means more to the American people in the revival of trade and relief from this depression than almost anything else we can do.

Mr. CANNON. You think that foreign markets for our agricultural products are as important as foreign markets for our manufactured products?

Mr. BRIGGS. It is a part of the whole thing. I do not think you can separate agriculture. We ship our raw products, such as cotton, raw wheat, wool, and so forth, going out from our farms, but much of it goes out processed as well, in mill form. I have had close contact very frequently with the millers in Kansas and Oklahoma, who appeal to me very often for shipping facilities through the port of Galveston to move their products to various

ports of the world, particularly in South America and the West Indies.

Mr. OLIVER. I do not think there can be two opinions as to the importance of developing foreign markets for our farm products, and I assume that one of the problems that the next administration will have to solve is whether this can be done in a more economical and more efficient way than it has been done in the past. Whether you could efficiently develop foreign markets for our manufactured products and for our agricultural products through the same agency is a matter, of course, that will have to be determined in the future; and everyone feels that you must do it in a way that will bring the largest results.

Mr. BRIGGS. That is it. That is the test, Mr. Chairman. It is the way that brings the largest results to the people. It does not make any difference whether you say, "Here is a hundred thousand or two hundred thousand or five hundred thousand dollars over here to be handled by one agency, and four hundred thousand to be handled by another agency."

If they bring you in the returns that you expect, they have fulfilled their purpose; and if you combine them and put the two in one organization and cut their appropriation in two, or if you leave it as it was, and they do not yield the results, then it has been a failure.

I hope you gentlemen are not going to handicap the Bureau of Foreign and Domestic Commerce, and that you will allow it at least the same appropriation that you gave it last year.

So far as the expense of maintaining the Galveston office is concerned, I do not think it averages more than between five and six thousand dollars a year, because they have dismissed the leading clerk that they had there.

CONTACTS OF DISTRICT MANAGERS

I think there is a special thing to be said in favor of the contacts of the district managers themselves out in the field, because frequently people will not use the information made available through the Department of Commerce unless it is brought to them personally, and a lot of it never reaches the parties for whom it is really intended. The contacts that these representatives of the Government have made with the business interests have, to my mind, been of inestimable value.

I thank you.

Mr. OLIVER. Mr. BRIGGS has always manifested keen interest in our foreign trade, and no one in Congress is better qualified than he is to give accurate and helpful information to this committee; and I wish to express, Mr. BRIGGS, my personal appreciation for the very splendid statement that you have supplied to the committee to-day.

Mr. BRIGGS. I appreciate your kind expressions, Mr. Chairman.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made to-day.

Mr. GOSS. Reserving the right to object, will the gentleman include the colloquy he had with the gentleman from New York [Mr. BOYLAN] in that request?

Mr. BLANTON. I will not include anything except that which already goes in.

Mr. GOSS. The gentleman will not take those remarks out of the Record?

Mr. BLANTON. Certainly not. That would not be according to the rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL WELFARE

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LANKFORD of Georgia. Mr. Speaker, I wish to briefly discuss my bill to create a department of general welfare. While it seeks only such appropriation as may be necessary, which would be small at first, it has not been my intention to urge its passage while we are in the midst of a fight to preserve our very national existence. I do not at all want it understood that I have decided that my bill is not meritorious. We are taking up much time on many bills not as good as mine, but this would not justify my urging that this bill be given precedence over real relief legislation which is so vital at this time. But let me first state briefly what I hope to accomplish by my bill.

It is the purpose of my measure to aid, encourage, and promote public gatherings, labor federations, farm organizations, organizations of war veterans and descendants of veterans, patriotic clubs, community gatherings, and other legal assemblies and organizations, so that all the people of the several States and Territories and of the District of

Columbia shall have larger educational, social, and recreational advantages in order to secure a better mental, physical, spiritual, moral, and patriotic development of the people and in order that the general welfare may be provided and promoted but without impairment of or the infringement upon the laws, the rights, duties, authority, or responsibilities of several States, Territories, and the citizens thereof, with respect not only to the public agencies and institutions mentioned and referred to in the bill but likewise as to all private institutions, agencies of said character in the several States and Territories and leaving to all the people the fullest and most complete religious liberty, unrestricted right of free speech, and most perfect freedom of conscience in the exercise of all constitutional rights.

In furtherance of the purposes of my bill the secretary of welfare provided for in the bill would immediately secure (a) any and all legal right or rights that may not now be owned by the United States Government to the fullest and most complete control of the sending and receiving of all radio communications within the United States, full authority to manage and control said radio communications to be vested in said secretary subject only to certain named exceptions; (b) sufficient motion-picture films of such a nature and standard as to encourage and promote the policy and purpose of the act to the end that all the people may be made stronger educationally, spiritually, morally, physically, and financially, enjoying wholesome, healthy, patriotic, instructive, and proper entertainment, becoming more sensible of the rights of each other and strengthened in their faith in constituted authority and their Government; and (c) such books, prints, maps, bulletins, other printed and written matter, and such equipment, apparatus, and paraphernalia as may be necessary to carry into effect the provisions of the act.

The bill also provides that the secretary shall make provision for supplying the executive, the legislative, and judicial branches of the Government such radio and film service as may be needed by them in the discharge of the duties and powers vested in them by law, and shall maintain for the Government and its branches the use of all radio communications and proper film or motion-picture service for the purposes of the act and for the whole people.

The department of general welfare under the bill would make available to and furnish whenever requested such motion-picture films and apparatus and such radio service as may be desired and approved by any and all public hospitals, orphans' homes, charitable organizations, community centers, patriotic organizations, and other organized gatherings in the United States. It is provided that no such film, motion-picture service, or radio service shall be inimical or antagonistic to the United States Government or the general welfare of the people thereof. The expense of producing and furnishing said films, motion-picture apparatus, and radio service shall be without cost to the people of the United States as patrons or users, and no admission charge shall be made when same are exhibited or used.

A State, county, city, or community may become an organization entitled to all the privileges and benefits of the act upon (a) electing or providing officials authorized to manage the entertainment and service herein provided and authorized to approve and select the class of moving pictures and radio service to be used and exhibited, and (b) providing suitable buildings or outdoor space with ample seating facilities for such exhibition and entertainment.

The bill also provides that the Department of General Welfare shall pay one-half the cost of school books, maps, and other equipment in all States which provide for the payment by the States of the other half of the cost of said maps, books, and equipment; the State authorities in all cases to select and approve the books, maps, and equipment to be used in such State.

The bill provides that the secretary shall confer and cooperate with the different departments of Government, the various State authorities, and any and all organizations mentioned therein as beneficiaries of said service, with a view and for the purpose of ascertaining what pictures and

radio service will be requested and how best to fully carry out the purposes of this act.

It is also provided that in the event it is impossible to supply all the service that may be demanded under the provisions of the bill, then the service shall be apportioned among the groups or organizations requesting same in accordance with the respective memberships or patrons thereof.

The bill would prevent commercial advertising over the radio within the United States or by motion pictures authorized or shown under the provisions of the act. Commercial communications or messages could not be transmitted over the radio, except upon approval of the Department of General Welfare and in such a way as not to interfere with the uses to which the radio service is sought to be dedicated by the bill.

Political organizations or parties would be entitled to the service sought to be authorized by the bill. Candidates would have the privilege of presenting their cause to the electorate fairly and as may appear just to the secretary after giving due consideration to class of office to which the candidate aspires and the number of people to be reached and the availability of the radio service without undue conflict with other purposes of the service provided in the bill.

In case full service can not be given to all activities mentioned, then preference would be given to activities of the Government and its various services and the proper entertainment of children and their parents.

Mr. Speaker, I am sponsoring this legislation because in my heart I feel that as Members of Congress we owe to the children of the country laws that will give them a chance to become good citizens, capable of maintaining this Government after those of us now in life shall have passed off this stage of action. I fear that there are influences now very dominant in our Nation which, to a large extent, nullify all the splendid teachings of our fathers and mothers and other friends of our children who wish to help them rather than exploit them.

It is now most evident that more and more the workingman is to have shorter hours of labor and less working days per week, thus having at his disposal more time with his family and more opportunity to enjoy with his folks splendid free, instructive, clean, elevating entertainment. It is my firm belief that my bill, if enacted into law, would be a blessing to all our citizens, and more especially the average man, who now must spend much money to entertain his family and yet not secure for them the high-class entertainment which all good fathers and mothers must desire for their children. I believe that my bill provides for a course of entertainment, instruction, and teaching which would lessen the number of criminals in our country so as to save enough cost from this source alone to many times pay all the expenses of the entire program.

Then again my bill provides for assistance to our public schools in the way of free school books and otherwise, which will be most beneficial to the poor people of our country. I shudder when I realize that at this very time our schools are about to be closed for the lack of sufficient funds.

Mr. Speaker, I always endeavor to approach all questions of legislation from the standpoint of the average individual, keeping in mind his every right and doing my best to help him in his fight for a living, for a home, and for the opportunity to raise his children and give them a chance in life.

I shall not now further discuss my bill to create a department of general welfare. I felt that it might not be amiss for me to put in the RECORD this brief statement concerning its purposes and provisions.

I do though want to make a few further observations concerning the matter of education and real relief of our people at this awful time. Uppermost in my mind all the while have been the children of our Nation and their fathers and mothers. While down in Georgia, to vote at the November election, I had several conferences with my good friend, Prof. Melvin Tanner, of Douglas, Ga., then superintendent of education of my county, and we decided that the Re-

construction Finance Corporation act should be amended so as to provide for loans to the teachers of our country or to the State, county, and municipal authorities so as to insure prompt payment to our teachers of their salaries which are so much needed by them at this time. This kind of legislation would be real relief, and I sincerely hope for its speedy enactment.

Senator GEORGE, of Georgia, has a bill now pending in the Senate for this much-needed relief to our teachers and our people generally. Hearings are now being held on his bill, and it is my sincere hope that it may be enacted at the earliest possible moment.

I am most anxious for the Reconstruction Finance Corporation act to be amended so that it will be directly helpful to the average citizen, our teachers, the farmers, the workingman, and the people generally. Some people say it can not be done, as the act was set up to handle loans only to the corporations. This is an erroneous idea. The War Finance Corporation act was geared up so as to help the corporations and through them help the poorest of the poor. This can be done if proper amendments are adopted to the Reconstruction Finance Corporation act.

This kind of legislation must be enacted if Congress is to do something worth while to help solve the awful questions which now besiege us from every standpoint.

I know I am repeating what I have said many, many times, but I am doing so for the sake of emphasis and with the hope that I can at last get enough to join me to pass some real legislation for the average man, the farmer, and the laboring man. Real relief must come to the masses of our people before there is any permanent solution of our present economic difficulties. In fact, the solution of all our problems is dependent upon the proper solution of the farmers' questions. Let us solve these, and all other questions will be much more easily determined. Let us strengthen the base before we add more to the already top-heavy superstructure of our Nation.

Agriculture, the basic industry of the Nation, is crumbling into ruin. It is disintegrating, and our Nation is endangered because the superstructure is entirely too heavy and not enough attention and consideration has been given to the base or foundation—our agricultural interest. If our once-splendid national economic structure is to endure, special, prompt, extensive, well-considered work must be done on the very foundation of all our national greatness; our independent, individual, home-loving farmers and people must be saved—the farmer must be put on an equality with other enterprises.

Thousands of ill-considered, half-baked, quack remedies are being offered. Most of these will do more harm than good. Even their consideration will interfere with proper handling of good measures. Both the big political parties have promised to put the farmer on a parity with those engaged in other lines of business. It will solve all the farmers' problems and bring back prosperity as nothing else will if Congress—made up of Democrats and Republicans—will keep this most solemn promise. It has not at all been kept so far.

In order for the farmer to be on equality with other folks, he must at least be enabled to name the price of what he sells as fully as others fix the prices of what is sold to the farmer; the farmer must be authorized and empowered to secure tax-free, circulating currency based on his property just as the banker now does on the same monetary base; the farmer must get the same tax exemptions—including a home and a reasonable amount of other property tax free—as are accorded the banks and others when they are permitted to subtract the amount of their debts from the value of their property and pay on the balance; and the farmer must receive other similarly fair legislative relief.

To my mind, the principles just stated encompass all of farm relief and real aid to those—all of us—who depend on the farmer for food, clothing, and the necessities of life.

Until some one shows me I am mistaken by his offering some better permanent farm relief plan, I pledge that I

shall fight to the limit for the monetization of farm lands and farm products; that I will do all I can to secure tax-free homes for our people; and that, so far as is within me, I shall contend for a contract system of farm relief, to enable the farmers to name the price of what they sell as fully as others name the price of what they sell to the farmers.

BANKRUPTCY LAWS

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McKEOWN. Mr. Speaker, many centuries of civilization intervene between the law of Kubla Khan that the creditor, by his ability to draw a mark around his debtor, could force the debtor to pay his debt before he could move across the mark or forfeit his life, and that of preventative compositions before bankruptcies.

For many years the laws of European countries have had a tendency to make provisions whereby honest debtors can escape the humiliation of a bankruptcy proceeding by entering into an arrangement with their creditors under the supervision of a court or some public authority.

In February of last year bills were introduced in the Senate by Senator HASTINGS, of Delaware, and Representative EARL MICHENER, of Michigan, in the House, containing many amendments to the present bankruptcy act. Hearings were held before the subcommittee of the Senate sitting with a like committee from the House. The hearings continued from April until the latter part of June, 1932.

It became apparent that the portions of the bills dealing with the numerous amendments to the bankruptcy act could not be considered at this Congress.

After investigating the laws of other countries my attention was directed to the "debtors' respite law" of Louisiana.

As to the purpose of the French law I found much enlightenment in the statement of Monsieur Lyon-Caen, professor of law in the Paris Faculty of Law, which is as follows (speaking of the purpose of the framers of the law):

In the first place—

He says—

they wished to protect the unfortunate and innocent debtor by affording him a means to escape from bankruptcy with the harsh consequences which it involves. In theory it might undoubtedly be said that a debtor is always at liberty to treat with his creditors, even in the absence of any declaration of bankruptcy. But in practice such arrangements are almost impossible, because in their formation the consent of all creditors is necessary, and there are always recalcitrant creditors, who either refuse their consent from malice or demand in return therefor advantages prejudicial to others.

The second purpose of the law is to protect the creditors against the exorbitant or even dishonest claims of others of their number. Liquidation, according to the provisions established by law on account of the expense and delay incident thereto, is sometimes ruinous to the creditors. It is often as desirable for them as for the debtor that there should be an arrangement by which the latter might himself liquidate his estate under agreed conditions. Finally the third object of the law is to encourage the debtor, who is on the verge of bankruptcy, not to wait as long as he frequently does before making known his true situation, and to endeavor to come to an arrangement with his creditors. The debtor who apprehends bankruptcy, in order to escape it, contracts ruinous loans or engages in speculation; then he calls his creditors together and seeks to conclude an arrangement which is nearly always impeded by some of them; to keep off the most exacting he pays them to the prejudice of the estate, and the most accommodating are not paid.

The actions brought against the debtor burden him with enormous expense and annihilate his credit. In spite of all, he does not escape bankruptcy, and numerous lawsuits are necessary to establish equality among the creditors in recovering the sums paid to the injury of the estate. It is hoped that when the debtor knows there exist some protective measures he will not wait so long and resort to these maneuvers, and that he will address himself as soon as possible to his creditors and endeavor to obtain, under the supervision of the court, a composition that will forestall bankruptcy.

This statement applies to the present bill.

On June 21, last, I introduced H. R. 12753, which contains the principle provisions of the debtors' respite law, and is in the main contained in section 74 of this bill. After

several conferences and meetings of the two subcommittees the Solicitor General, Hon. Thomas D. Thatcher, made the draft of section 74 by writing into the composition section of the present act the main provisions of H. R. 12753.

Section 75, in this bill, was originally contained in the bills introduced by Senator HASTINGS and Representative MICHENER. In the original bills section 75 included railroad reorganization with corporate reorganization.

In order to properly safeguard the public interest in the matter of the reorganization of railroads all reference to railroads was stricken from section 75 and a new section 76 was added, which is a bill introduced by Representative LA GUARDIA and offered as an amendment to this bill.

Section 73 places the jurisdiction in the bankruptcy courts to deal with debtors as well as bankrupts.

In my judgment there is a widespread misunderstanding among the legal fraternity as to what may or may not be done under the power vested in Congress by the Constitution under the provision "to establish uniform laws on the subject of bankruptcies throughout the United States." Strict constructionists in this country have contended that the word "bankruptcy," as used in the constitutional grant to Congress, should be limited in meaning to the narrow English sense, but the courts in an early period decided this clause was to be construed as giving power to Congress to adjust the affairs of all insolvent debtors. I refer you to the excerpts from the memoranda furnished by the able Solicitor General, contained in the report on the bill.

Congress has exercised its power to pass bankruptcy acts four times during the life of the Republic. The first act was passed in 1800 and repealed in 1803. The second act was passed in 1841 and repealed in 1843. The third act was passed in 1867 and was amended in 1874 and repealed in 1878. The fourth and last act was passed in 1898, and we have it with us yet.

The act of 1800 made provision for involuntary bankruptcy alone. No voluntary petition in bankruptcy could be filed under that act. Under the act of 1841 voluntary petitions could be filed by debtors. The right to offer compositions did not materialize until the act of June 22, 1874, which was an amendment to the bankruptcy act of 1867.

The constitutionality of this amendment was questioned because it was not necessary to be adjudged a bankrupt before offering composition. This contention was overruled by the courts. It would appear to me that inasmuch as the provision for extension of debts is in the composition section, and simply provides for the ultimate settlement by the debtor of his debts, in whole or in part, and permits the debtor himself to liquidate the debts instead of a trustee, that this bill lies within the constitutional power granted to Congress.

In 1843, Mr. Justice Catron, an Associate Justice of the Supreme Court, sitting in a case as circuit judge, in an opinion that was later incorporated in the Supreme Court Reports (42 U. S. (1 Howard) 277), said:

In considering the question before me I have not pretended to give a definition but purposely avoided any attempt to define the mere word "bankruptcy." It is employed in the Constitution in the plural and as part of an expression, "the subject of bankruptcies." The ideas attached to the word in this connection are numerous and complicated; they form a subject of extensive and complicated legislation; of this subject Congress has general jurisdiction; and the true inquiry is, to what limits is that jurisdiction restricted? I hold it extends to all cases where the law causes to be distributed the property of the debtor among his creditors; this is its least limit. Its greatest is the discharge of a debtor from his contracts. And all intermediate legislation, affecting substance and form, but tending to further the great end of the subject—distribution and discharge—are in the competency and discretion of Congress.

In the case of *Kunzler v. Kohaus* (5 Hill, 317) we find Judge Cowen said:

Looking thus at the uniform popular acceptance of the word from the earliest times and in all English countries, and supposing that to be the true one, I read the Constitution thus: "Congress shall have the power to establish uniform laws on the subject of any person's general inability to pay his debts throughout the United States."

It is the purpose of section 74 to provide a forum where individuals, partnerships, and other associations not incorporated, may apply for compositions or extensions of time in which to pay the whole or any part of their debts. Such applicant is denominated a "debtor" and not a "bankrupt," and this avoids the stigma of bankruptcy. He is a distressed debtor, and to be qualified to enter this forum he must be either insolvent or unable to meet his debts as they mature.

He may enter this forum voluntarily by petition, in which he sets out the names of his creditors, the amount due, and their post-office addresses, and therein list his assets, also presenting the plan or means by which he will undertake to liquidate in whole or in part his indebtedness and specifying the terms and extension of time which he requests be granted to him.

If before filing a petition he should be proceeded against by an insolvency petition in bankruptcy, then by way of answer he may make the same pleading as required in a petition, in which case he shall not be adjudged a bankrupt until and after proceedings are had under this session for extension of time or composition.

The petition shall be filed with a United States district court in the district in which the debtor is domiciled, as is required under the present bankruptcy laws. If the petition or answer is approved by the judge as having been properly filed, an order is made staying all foreclosures or other proceedings pending against the debtor or his estate upon such conditions as shall be proper for the protection of the estate against loss during the stay, which shall be in force until the first meeting of the creditors.

The petition or answer is then forwarded to the referee of the county in which the debtor resides, who causes notice to be given to the creditors, stating in the notice the terms of composition or extension, together with a brief statement of the assets and indebtedness of the debtor, including a list of secured creditors, with their addresses, and a list of the 15 largest unsecured creditors, and stating the time and place for the first meeting.

At the first meeting all creditors may participate, both secured and unsecured, and if they desire they may examine the debtor. At this meeting the creditors may submit a plan of composition or extension if they are unwilling to accept the debtor's plan, and they may nominate a trustee to be appointed by the court if liquidation of the estate should be necessary upon the failure of the plan. The referee, after consulting with parties in interest, may fix a reasonable time within which application for confirmation shall be made. He may later extend the time for cause shown and may require as a condition of such extension, additional terms for the protection of and indemnity against loss by the estate as may be proper. No plan shall be presented for confirmation unless it has been accepted by a majority in number of all creditors, including secured creditors and representing a majority in number of claims.

However, should a debtor fail to obtain the consent of a majority in number and amount of his creditors, including secured creditors, he still may file an application for an extension, if in his application he can show a feasible method of financial rehabilitation for himself and which would be for the best interest of all his creditors, including an equitable liquidation for the secured creditors whose claims are affected, and if upon a hearing the court is satisfied that the debtor has presented an equitable method for liquidation for the creditors whose claims are affected; that it is for the best interest of the creditors; that the debtor is acting in good faith and has not been guilty of any of the acts or failed to perform any of the duties which would be a ground for denying his discharge from bankruptcy, then the court may approve the extension of time notwithstanding the objections of a creditor.

The debtor, in his proposal, may ask for extension of time of the payment of debts to either secured or unsecured creditors. He may include provisions for payment on account and may provide for a creditors' committee to supervise his affairs and for the termination of such period under certain specified conditions.

If the extension proposal is accepted and confirmed, it shall be binding upon the debtor and his secured and unsecured creditors; but the extension or composition shall not impair the lien of any secured creditor, but shall affect only the time and method of its liquidation.

Upon the confirmation of an extension proposal the court may dismiss the proceeding or retain jurisdiction of the debtor and his property during the period of the extension in order to protect and preserve the estate and enforce the terms of the extension proposal.

The referee may, upon the application of the parties in interest, filed at any time within six months after the composition or extension proposal has been confirmed, set the same aside and reinstate the case, if it shall be made to appear upon a trial that a fraud was practiced in the procuring of such composition or extension, and that knowledge thereof has come to the petitioners since the confirmation thereof.

If the debtor shall fail to comply with the terms required of him for the protection of the estate as provided under this plan, or without any sufficient reason defaults in any payment required to be made under the terms of the extension, the court may appoint a trustee named by the creditors at the first meeting to take over the estate and liquidate it, except debtors engaged in farming or the tillage of the soil, unless they consent, and the court may adjudge the debtor a bankrupt if satisfied that he commenced or prolonged the proceeding for the purpose of delaying creditors and avoiding bankruptcy.

When the debtor has filed his petition or answer pleading for relief under this bill, then his property, wherever located, is subjected to the exclusive jurisdiction of the court in which the order approving the petition or answer is filed, and the court may stay all proceedings pending against the debtor in any court.

The fee for filing a petition under the provisions of the bill is \$5 and the compensation for the clerk is \$2. For the referee, if the total assets are \$10,000 or less, \$10, with a charge of \$5 for each \$5,000 of assets or fraction thereof that exceeds \$10,000. Provision is made for sufficient referees to be named to sit in convenient places to expedite the proceedings, and at least one shall be named in each county.

There is little that I can say that will clarify the procedure in sections 75 and 76 than that contained in the report of the bill, which I herewith call to your attention:

Section 75 deals with corporations, their debts, extension plans, and reorganizations, including drainage, irrigation, levee, sewer, or pavement improvement districts, established under the law of the State of their creation, but does not include interstate railroads, nor municipal, insurance, banking, or building and loan corporations.

The procedure under section 75 is similar to that under section 74 in so far as applicable to corporations. The plan of reorganization shall include a proposal to modify or alter the rights of creditors generally, or any class of them, secured or unsecured, through the issuance of new securities of any character, or otherwise. It may include proposals altering the rights of stockholders generally, or of any class of them. It shall provide adequate means for the execution of the plan, which may include the transfer of all or any part of the property of the debtor to another corporation or to other corporations, or the consolidation of the properties of the debtor with those of another corporation, and the issuance of securities of either the debtor or any such corporation or corporations, and may deal with all or any part of the property of the debtor. The judge may appoint a trustee or trustees who may operate the property pending a hearing within 30 days after the appointment of such trustee, at which time the debtor shall be required to file schedules and submit all information that is necessary to disclose the debtor's affairs and the fairness of any proposed plan.

A reasonable time shall be granted in which the claims of creditors and stockholders may be filed, after which time no such claims or interest may proceed in the plan except on order of the court for cause shown. For the purposes of the plan and its acceptance, creditors and stockholders are divided into classes according to the nature of their claims and interests, and shall be entitled to notice of all hearings for the consideration of any plan or of the dismissal of the proceeding, liquidation of the estate, allowance of fees or expenses, and a reasonable time shall be fixed by the judge for the acceptance of such a plan. If a proposed plan is not accepted or if it is accepted and is not confirmed the judge may dismiss the proceeding or direct the trustee to liquidate the estate as the interests of the creditors and stockholders may equitably require. If the proceeding is an involuntary proceeding

he shall not dismiss it except after a hearing upon notice to the creditors and stockholders. The judge shall allow reasonable compensation and reimbursement of expenses incurred in the proceeding, including reorganization. The judge may refer any matter to a special master who may be a referee in bankruptcy. Any creditor or stockholder shall be heard on the question of the appointment of any trustee and on the proposed confirmation of any plan, and may petition to intervene on any other question arising in the proceeding as may be determined by the judge.

If a plan has been approved by not less than 25 per cent in amount of any class of creditors and not less than 10 per cent in amount of all the creditors whose interests are affected, it may be proposed by the debtor, or by any creditor or stockholder, and after due notice may be considered, or any other plan similarly proposed may be considered.

The court shall not confirm a plan unless it is accepted in writing filed by or on behalf of creditors holding two-thirds of the amount of claims of each class whose claims or interests have been allowed and will be affected by the plan, unless the judge should determine that the debtor is insolvent. Adequate provision is made in this section for the protection of interests, claims, or liens of any class of creditors or stockholders who do not accept any plan that is approved. Any person in interest may object to the confirmation of the plan, and the judge shall not confirm the same unless the plan is equitable and does not discriminate unfairly in favor of any class of creditors or stockholders. Stockholders who do not accept the plan are entitled to realize the value of their equity, if any, either by a sale of the property at not less than a fair upset price or by appraisal and payment in cash of the value of the stock or the objecting stockholders may elect to take securities allotted to stockholders under the plan. Creditors who do not accept the plan will have adequate protection for the realization by them of the value of their liens or claims against the property of the debtor. Creditors are protected in the same manner as the objecting stockholders.

When a plan is confirmed, it is binding upon the corporation, the stockholders, all creditors whose claims are payable in cash under the plan, and upon all other creditors, secured and unsecured, entitled to priority whose claims are not payable in cash, provided of each class two-thirds thereof have accepted the plan in writing, and binding upon all other unsecured creditors, provided two-thirds have accepted the plan in writing. Secured creditors unwilling to accept the plan as to their rights and procedure are dealt with as heretofore stated with regard to stockholders unwilling to accept the plan.

After confirmation the property shall be transferred as in the manner provided in the plan free and clear of all claims of the debtor, stockholders, and creditors, except as may be reserved in the order directing the transfer and when the proceedings are terminated a final decree shall be entered discharging the debtor and closing the case.

If all or any part of the property of the petitioning corporation shall have been placed in the hands of a receiver in the Federal or State court, whether before or after this act takes effect, the corporation may nevertheless file a petition or answer under this section at any time, and if the petition or answer is approved and a trustee is appointed he shall be entitled forthwith to the possession of such property and the judge shall make such orders as will be equitable for the protection of the obligations incurred by the receiver and payment of reasonable administrative expenses and allowances in the previous proceedings as shall be fixed by the court appointing the receiver. If a Federal or State court shall appoint a receiver prior to the dismissal of the proceedings under this section, the judge may include in the order of dismissal appropriate orders directing the trustee to transfer possession of the debtor's property within the jurisdiction of the court to the receiver so appointed under such terms as the judge may deem equitable and necessary to take care of the obligations incurred by the trustee and the payment of administrative expenses and allowances in the proceedings.

The district courts of the United States, the Territories, and Supreme Court of the District of Columbia, the United States Court of Alaska, and the District Court of the United States for the Territory of Hawaii shall have jurisdiction to hear and determine cases arising under this section.

The court may stay all suits and proceedings until the question of the confirmation of the plan shall have been determined.

A certified copy of an order confirming the plan shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the order was made; and the recording of a certified copy of any order shall impart the same notice that a deed, if recorded, would impart.

The provisions of this amendatory act do not apply to proceedings in bankruptcy cases which are pending when it takes effect. The act shall take effect and be in full force from the date of its approval, and apply fully to corporations, their creditors and stockholders, secured and unsecured, whether the debts were incurred prior to such date or after such date.

Section 76 is entitled "Reorganization of Railroads Engaged in Interstate Commerce." Railroads are at this time excluded from the operation of the bankruptcy law. The necessity for the enactment of this section grows out of the present expensive, protracted, confusing, and inefficient administration of affairs of railroad companies engaged in interstate commerce in equity receiverships. The necessity for its immediate enactment results from the fact that at the present time many of the railroad organizations of the country confront the necessity of reorganization. They have reached the limit of their ability to borrow

from the Reconstruction Finance Corporation. They must either reorganize under some arrangement such as is provided for by this section, or be administered in equity receiverships. The protracted period of such administration, the duplication of expense incident to ancillary receiverships, the waste, the opportunity for manipulation on the part of special groups, are too well known to require comment.

This section provides that a railroad corporation engaged in interstate commerce may file a petition in the Federal court, stating that the railroad is either insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of reorganization. It is required that the judge shall ascertain that the petition is filed in good faith and complies with the provisions of this section, and upon such approval the judge procures jurisdiction of the debtor's property wherever located.

There is also provision made in the event the railroad company does not file such petition for the filing of a petition by 25 per cent in amount of any class of creditors and not less than 10 per cent of all creditors of such corporation, upon procuring the approval of the Interstate Commerce Commission.

Subdivision (b) permits the filing and consideration of practically any plan of reorganization. The general plan of this section is to utilize the expert knowledge of the Interstate Commerce Commission.

Subdivision (c) provides for appointment of a temporary trustee or trustees by the judge, recommended by the Interstate Commerce Commission. Permission for creditors to be heard is also provided in this section.

If a plan for reorganization is not proposed or accepted within such reasonable time as the judge may, upon cause shown, fix, or if proposed and accepted is not approved, shall dismiss the proceeding. The court may authorize, with the approval of the Interstate Commerce Commission, the trustee to sell certificates for new money which may be needed to provide reasonable compensation for specific expenses incurred.

It is provided that the President of the United States, by and with the advice and consent of the Senate, may appoint special referees to which it is contemplated matters arising under this section will be referred, who shall receive such compensation as shall be allowed them by such judge with the approval of the Interstate Commerce Commission, and are subject to general provisions of law regarding referees in bankruptcy except as to fees. This permits the building up of a group of men thoroughly informed in railroad reorganization matters.

There is a very broad provision for a hearing by any creditor or stockholder with regard to confirmation of any plan of reorganization, avoiding the necessity of the filing of a petition of intervention.

Subdivision (d) places the entire plan of reorganization under the jurisdiction, supervision, and control of the Interstate Commerce Commission. The commission may consider any and all plans presented to it. The corporation may present a plan of 25 per cent in amount of any class of creditors and not less than 10 per cent in amount of all the creditors whose claims may be affected by the plan may be proposed for consideration. Hearings are then held by the Interstate Commerce Commission on the various plans before it. The commission is then required to render a report in which it shall recommend a plan of reorganization which it shall find equitable, financially advisable, and compatible with the public interest. The section specifically provides that the plan recommended by the commission may be one of several plans presented, a modification of any, or an entirely new plan of the commission. The plan is then presented to the stockholders and creditors for acceptance by them.

Subdivision (e) provides for the transmittal by the commission to the court after it has been accepted in writing by or on behalf of creditors holding two-thirds in amount of the claims of each class whose claims or interests have been allowed and would be affected by the plan. This acceptance is also required by two-thirds of the stockholders unless, of course, the corporation has been found to be insolvent. If a class of creditors or stockholders are provided for by proper protection of their interests as herein-after discussed, such class need not accept.

Subdivision (f) provides for the final approval of the plan by the Interstate Commerce Commission and, after such approval, for the certification of the plan to the court for its approval. After the acceptance is filed with the commission the proceedings are reopened for the purpose of considering the accepted plan. The commission is required to make certain specific findings. At this stage of the proceedings the commission exercises its powers under section 20a of the interstate commerce act on the approval of issuance of securities necessary in the reorganization. This obviates the necessity of the matter coming back to the commission after final approval by the court, which is only on the record, and at the same time retains an absolute and complete control of the reorganization in the Interstate Commerce Commission of the plan recommended and approved by it.

The commission is given the power to fix maximum compensation to reorganization managers, officers, parties in interest, committees, or other representatives of stockholders for services rendered and reimbursement for the actual and necessary expenses incurred in connection with the proceeding and plan.

This should definitely put a stop to the wholesale plundering by reorganization managers, both by way of fees and for commissions covering new securities.

The section provides that where two-thirds of a class of creditors accept the plan, then the plan is binding upon that particular class of creditors and the minority must accept the new securi-

ties issued under the plan of reorganization. This is fair because all the minority of a particular class should expect is that a fair and equitable plan be devised and if the plan is fair then all they are entitled to is equal participation in the new securities. The bill provides adequate machinery for the development of a fair and equitable plan.

In case the acceptance can not be secured of two-thirds of a particular class of creditors that particular class of creditors is not required to accept new securities under the plan. In such a case provision has been made for the adequate protection of their interests. The plan must provide one of three alternatives:

(1) That the sale of such property is subject to such liens. If this alternative is provided the rights of the particular class of creditors are not disturbed but the property is merely taken subject to that lien.

(2) That by the sale free of such liens at not less than a fair upset price and the transfer of such liens to the proceeds of the sale. If this alternative is exercised the particular class of creditors would be in exactly the same position had the property gone through receivership proceeding and the property sold at a fair upset price to the reorganized company with the further protection that the fair upset price is to be fixed by the commission. Under present practices the fair upset price is usually determined by the majority and approved by the court.

(3) By appraisal and payment in cash of the value either of such liens or at the objecting creditors' election of the securities allotted to such liens under the plan. If the plan provides for alternate (3), the creditors have the election of obtaining an appraisal and payment in cash of the old securities or the new securities allotted under the plan.

A similar method is provided for dealing with stockholders. In case there is no finding of insolvency, the bill contemplates that the assent to the plan of two-thirds of each class of stockholders, whether that class be either preferred or common stock. In case this acceptance can not be secured of a particular class, either common or preferred stockholders or both, then it is provided that their acceptance is not required if the plan makes adequate provision for their protection. Two alternatives are provided for dealing with classes of stockholders who refuse to accept, somewhat similar to that provided for creditors. Alternate (1) with reference to creditors is not applicable, of course, to stockholders, and the bill does not provide this alternate method; but alternates (2) and (3) with reference to creditors are used in dealing with classes of stockholders.

Subdivision (g) provides for the necessary court of review. The commission transmits the approved plan, its findings, and the record to the court. The court's review must be based upon the record made before the commission. This is specifically so provided to avoid new hearings or a commencement of the proceedings di novo by the court on the plan. Upon approval by the judge on the said record the plan shall be final and binding upon all parties interested and concerned. The approval of the plan by the court shall discharge the debtor from its debts except as provided in the plan. If the judge disapproves the plan, he is required to file his reasons for such disapproval.

Subdivision (h) exempts new issues, transfers, or exchange of securities necessary to carry out the reorganization from the provisions of the revenue act of 1932. While the committee has no jurisdiction over revenue matters, it felt that the reorganization of the railroads was of such national necessity at this time that it could consider the suggestion of exempting such issues and transfers of stock from the stamp tax of the revenue act. As the new issues will be mostly in lieu of retired certificates and the transfers of existing outstanding certificates simply a matter of exchange to carry out the scope of the reorganization, exemption of such taxation will be of great benefit to the reorganization and of not substantial loss to the Treasury.

Subdivision (i) provides merely for a summary method of transfer of properties which may be affected by the plan; and subdivision (j) makes the act applicable to Federal or State receiverships now pending.

Subdivision (k) provides that pending claims may be stayed during the procedure under reorganization; subdivisions (l), (m), (n), and (o) are formal, defining terms and regulating minor questions of procedure.

It is the purpose of this bill to bring the exercise of the bankruptcy powers more in line, from a practical and helpful standpoint, with the necessities and interest of both distressed debtors and of creditors and to reduce the expense and delay of administration. The plan of the bill is to enlarge and facilitate, as far as is consistent with the rights of all parties in interest, the opportunities for amicable adjustment between debtor and creditor, for rehabilitation and reorganization. While this bill has been framed with due regard for the present and immediately prospective unusual economic conditions, it is believed that an expansion of the opportunity for amicable adjustment by debtor and creditors under supervision and protection of bankruptcy courts and for holding the property of the debtor intact with its operation disturbed as little as practicable, such as is provided for in this bill, will prove itself to be of permanently helpful assistance both to distressed debtors and to creditors and in line with the public interest.

I wish to acknowledge my indebtedness for the assistance rendered me by the Solicitor General, Judge Thomas D. Thacher; Mr. Robert Cook, of Boston, Mass.; Mr. Paul H. King, of Detroit, Mich.; Professor Berle of Columbia Uni-

versity; Mr. Edward Hirsh of Oklahoma City, Okla.; Mr. Max Isaac, editor of the American Bankruptcy Review, New York City; Mr. Godfrey Goldmark, New York City; Mr. Isaac Taylor, Oklahoma City, Okla.; Mr. R. L. Beezley, of Salt Lake City; Mr. C. O. Abbott, Martinsville, Ind.; Mr. F. E. Riddle, of Tulsa, Okla.; Mr. U. S. Hart, of Shawnee, Okla.; Mr. A. L. Orberdorfer, Birmingham, Ala.; Mr. C. C. Moody, Indianola, Miss.; Judge John L. Ingram, Stuttgart, Ark.; Mr. Wm. R. Watkins, Fort Worth, Tex.; Mr. Herman H. Oppenheimer, New York City, N. Y.; Mr. William H. O'Brien, New York City; Mr. Harold Remington, New York City; Mr. W. Randolph Montgomery, New York City; Mr. Horace W. Leeds, Philadelphia, Pa.; Mr. W. F. McLaury, Oklahoma City, Okla.; and Mr. Carlton W. Waller, New York City.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HARE, indefinitely (at the request of Mr. McMILLAN), on account of important business.

IMPORTATIONS FROM FOREIGN COUNTRIES

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to address the House for two minutes, to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER. Mr. Speaker, I am pleased to announce that sufficient signatures have been obtained to discharge the Ways and Means Committee from the consideration of the bill H. R. 8557, the Crowther bill, designed to protect American markets from invasion and destruction by floods of importations from foreign countries whose currencies have depreciated. [Applause.]

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 14436. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 212. An act for the relief of Messrs. Short, Ross, Shaw, and Mayhood;

S. 213. An act authorizing adjustment of the claim of Kenneth Carpenter;

S. 219. An act authorizing adjustment of the claims of Oren Wheatley, Kenneth Blaine, and Joseph R. Ball;

S. 252. An act authorizing adjustment of the claim of Johnson & Higgins; and

S. 563. An act for the relief of George T. Johnson & Sons.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 12 minutes p. m.) the House adjourned until Monday, January 30, 1933, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

JANUARY 28, 1933.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of Rule XXVII, I, JOHN C. SCHAFER, move to discharge the Committee on Ways and Means from the consideration of the bill (H. R. 8557) entitled "A bill to equalize tariff duties by compensating for depreciation in foreign currencies," which was referred to said committee January 28, 1932, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. JOHN C. SCHAFER.
2. ROY O. WOODRUFF.

3. JOHN D. CLARKE.
4. C. B. MCCLINTOCK.

5. GUY E. CAMPBELL.
6. W. R. COYLE.
7. CHESTER C. BOLTON.
8. FRANCIS SEIBERLING.
9. E. W. GOSS.
10. HARRY L. ENGLEBRIGHT.
11. CARL G. BACHMANN.
12. JOE CRAIL.
13. DAVID HOPKINS.
14. ALBERT E. CARTER.
15. F. C. LOOFBOUROW.
16. CHARLES E. SWANSON.
17. JOHN W. SUMMERS.
18. O. B. LOVETTE.
19. JAMES WOLFENDEN.
20. GEORGE F. BRUMM.
21. JAMES G. STRONG.
22. MENALCUS LANKFORD.
23. CYRENUS COLE.
24. FRANK CLAGUE.
25. G. J. BOILEAU.
26. FLORENCE KAHN.
27. MALCOLM BALDRIGE.
28. GARDNER R. WITHROW.
29. FRANK MURPHY.
30. RALPH A. HERR.
31. SAMUEL S. ARENTZ.
32. E. H. WASON.
33. ROBERT L. DAVIS.
34. ROYAL C. JOHNSON.
35. I. H. DOUTRICH.
36. DON B. COLTON.
37. GEORGE P. DARROW.
38. NATHAN L. STRONG.
39. MILTON W. SHREVE.
40. H. F. NIEDRINGHAUS.
41. CLYDE KELLY.
42. WILLIAM A. PITTENGER.
43. SCOTT LEAVITT.
44. JOHN G. COOPER.
45. A. M. FREE.
46. JOHN C. ALLEN.
47. J. HOWARD SWICK.
48. CHARLES ADKINS.
49. THOMAS HALL.
50. AUGUST H. ANDRESEN.
51. FRED S. PURNELL.
52. EDITH NOURSE ROGERS.
53. PETER A. CAVICCHIA.
54. DONALD F. SNOW.
55. THOMAS C. COCHRAN.
56. MELVIN J. MAAS.
57. U. S. GUYER.
58. WILLIAM R. EATON.
59. WILLIAM E. HESS.
60. C. E. HANCOCK.
61. FRED W. MAGRADY.
62. CHARLES A. KADING.
63. JESSE P. WOLCOTT.
64. HOWARD W. STULL.
65. HAROLD KNUTSON.
66. HUBERT H. PEAVEY.
67. M. C. GARBER.
68. JOSEPH F. BIDDLE.
69. CHARLES FINLEY.
70. A. PIATT ANDREW.
71. WILLIAM E. HULL.
72. OSCAR DE PRIEST.
73. JOSEPH W. MARTIN.
74. ADDISON T. SMITH.
75. FRED A. HARTLEY.
76. DAVID HOGG.
77. CHARLES D. MILLARD.
78. FRANK L. BOWMAN.
79. CHARLES L. GIFFORD.
80. EDMUND F. ERK.
81. JAMES M. BECK.
82. W. G. ANDREWS.
83. C. H. MARTIN.
84. J. H. SINCLAIR.
85. J. WILL TAYLOR.
86. BURTON L. FRENCH.
87. HENRY E. BARBOUR.
88. GEORGE J. SCHNEIDER.
89. HARRY C. RANSLEY.
90. ROBERT G. HOUSTON.
91. GUY U. HARDY.
92. WILLIAM R. JOHNSON.
93. ERNEST W. GIBSON.
94. JOHN E. WEEKS.
95. JOHN E. NELSON.
96. DANIEL A. REED.
97. C. ELLIS MOORE.
98. HOMER W. HALL.
99. J. ROLAND KINZER.
100. JOHN L. CABLE.
101. L. C. DYER.
102. F. M. DAVENPORT.
103. GRANT E. MOUSER.
104. ROBERT H. CLANCY.
105. C. A. CHRISTOPHERSON.
106. WILLIAM WILLIAMSON.
107. ALLEN T. TREADWAY.
108. HARCOURT J. PRATT.
109. RUTH PRATT.
110. JOHN TABER.
111. RANDOLPH PERKINS.
112. L. T. MCFADDEN.
113. GEORGE HOLDEN TINKHAM.
114. ROBERT L. BACON.
115. HENRY W. WATSON.
116. DONALD B. PARTRIDGE.
117. CARL R. CHINDELOM.
118. EDWARD L. STOKES.
119. ROBERT G. SIMMONS.
120. JAMES A. FREAR.
121. C. F. CURRY.
122. FRANK P. BOHN.
123. B. M. CHIPERFIELD.
124. H. W. TEMPLE.
125. SEYMOUR H. PERSON.
126. W. E. EVANS.
127. O. B. BURNESS.
128. R. B. WIGGLESWORTH.
129. LINDLEY H. HADLEY.
130. FRED A. BRITTEN.
131. C. M. TURPIN.
132. WILLIAM P. HOLADAY.
133. PEHR G. HOLMES.
134. A. D. SANDERS.
135. JOHN B. HOLLISTER.
136. HARRY A. ESTEP.
137. W. I. NOLAN.
138. JAMES L. WHITLEY.
139. CARROLL L. BEEDY.
140. HUGH IKE SHOTT.
141. CONRAD G. SELVIG.
142. CHARLES B. TIMBERLAKE.
143. LLOYD THURSTON.
144. HAMILTON FISH, Jr.
145. KENT E. KELLER.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, January 28, 1933.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, January 30, 1933, as reported to the floor leader:

WAYS AND MEANS

(10 a. m.)

Continue hearings on depreciated currency bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

893. A letter from the Secretary of the Treasury, transmitting report on the War Finance Corporation (in liquidation) covering the period from January 1, 1932, to December 31, 1932 (H. Doc. No. 534); to the Committee on Banking and Currency and ordered to be printed.

894. A letter from the Secretary of War, transmitting a report from the Chief of Engineers, pursuant to the rivers and harbors act approved July 3, 1930, on preliminary examination and survey of channel from Rhodes Point to Tylerton, Smith Island, Md.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McCORMACK: Committee on Ways and Means. H. R. 12328. A bill to authorize the assignment of awards entered by the Mixed Claims Commission, United States and Germany; with amendment (Rept. No. 1936). Referred to the House Calendar.

Mr. COLLIER: Committee on Ways and Means. H. R. 14416. A bill to make the Federal gasoline tax effective until June 30, 1934; with amendment (Rept. No. 1937). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H. R. 13745. A bill to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto; with amendment (Rept. No. 1938). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 5070. A bill to authorize the Secretary of the Interior to lease concessions on reservoir sites and other lands in connection with Indian irrigation projects; with amendment (Rept. No. 1939). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McSWAIN (by request): A bill (H. R. 14477) to repeal the proviso contained in the act of Congress approved February 20, 1931 (Public, No. 692, 71st Cong.), to revive certain acts of Congress repealed by the said proviso of the act approved February 20, 1931, and for other purposes; to the Committee on Military Affairs.

By Mr. McFADDEN. A bill (H. R. 14478) to authorize the Comptroller of the Currency to examine the operations of certain dealers in securities, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H. R. 14479) to authorize the Comptroller of the Currency to examine and report on the condition of Federal reserve banks; to the Committee on Banking and Currency.

By Mrs. WINGO: A bill (H. R. 14480) to extend the times for commencing and completing the reconstruction of a railroad bridge across the Little River at or near Morris Ferry, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: A bill (H. R. 14481) to amend the act of May 22, 1928, entitled "An act to authorize the collection in monthly installments of indebtedness due the United

States from enlisted men, and for other purposes"; to the Committee on Military Affairs.

By Mr. GREGORY: A bill (H. R. 14482) to authorize the granting of Federal aid in the construction of certain highways leading to toll bridges, and for other purposes; to the Committee on Roads.

By Mr. HILL of Alabama: A bill (H. R. 14483) to amend section 201 of the emergency relief and construction act of 1932 to provide for certain loans by the Reconstruction Finance Corporation to aid in the support and maintenance of public schools; to the Committee on Banking and Currency.

By Mr. ALMON: A bill (H. R. 14484) granting the consent of Congress to the Highway Department of the State of Alabama to construct, maintain, and operate a free highway bridge across Elk River between Lauderdale and Limestone Counties, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. COCHRAN of Missouri: A bill (H. R. 14485) to amend section 215 of the act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, approved June 30, 1932; to the Committee on Expenditures in the Executive Departments.

By Mr. BANKHEAD: A bill (H. R. 14486) to authorize the purchase by the Government of silver, to provide for the issuance of silver certificates in payment therefor, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. WHITTINGTON: A bill (H. R. 14487) to reduce the compensation of Senators, Representatives, Delegates, and Resident Commissioners to \$7,500 per annum; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 14488) to reduce and adjust the clerk hire of Representatives, Delegates, and Resident Commissioners; to the Committee on Expenditures in the Executive Departments.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 14489) relating to the construction of a Federal building at Mangum, Okla.; to the Committee on Public Buildings and Grounds.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Minnesota, memorializing Congress to properly protect the owners of farm-wood lots and American workmen in industries facing unfair competition resulting from the depreciation of foreign currencies; to the Committee on Ways and Means.

By Mr. SELVIG: Memorial of the Legislature of the State of Minnesota, memorializing Congress to protect the owners of farm-wood lots and American workmen in industries facing unfair competition resulting from the depreciation of foreign currencies; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 14490) granting a pension to Donnie E. Moreland; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 14491) for the relief of William E. Bosworth; to the Committee on Claims.

Also, a bill (H. R. 14492) granting an increase of pension to Sarah A. Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14493) granting an increase of pension to Violet S. Woodward; to the Committee on Invalid Pensions.

By Mr. McCORMACK: A bill (H. R. 14494) for the relief of John E. Ziniti; to the Committee on Naval Affairs.

By Mr. MILLIGAN: A bill (H. R. 14495) for the relief of Claude Benard Wilson; to the Committee on Claims.

By Mr. STALKER: A bill (H. R. 14496) granting an increase of pension to Lizzie O. Stearns; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 14497) for the relief of Alena Barger; to the Committee on Claims.

By Mr. WELCH: A bill (H. R. 14498) granting a pension to Thomas Hamilton Peckham; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9986. By Mr. BACON: Petition of sundry citizens of Long Island, N. Y., urging favorable action on joint resolution proposing an amendment to the Constitution eliminating the count of aliens for apportionment purposes; to the Committee on the Judiciary.

9987. By Mr. BOYLAN: Resolution adopted by the Brooklyn Chamber of Commerce, Brooklyn, N. Y., on war debts; to the Committee on Foreign Affairs.

9988. By Mr. BURDICK: Petition of James S. O'Brien, Henry Kunz, and John Good, of Newport; William D. Eddy, of Jamestown; Alva F. Weaver, of Middletown; Charles E. Whitford, of Riverside; and George E. Purdy, of Providence, all of the State of Rhode Island, in which 358 citizens of Rhode Island respectfully request that in the consideration and action on pension legislation for the veterans of any war in which the United States may have been engaged no repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents be made; to the Committee on Pensions.

9989. Also, letter of Mrs. E. S. Latimer, of 27 Taber Avenue, Providence, R. I., opposing the recognition of Soviet Russia by the United States; to the Committee on Foreign Affairs.

9990. By Mr. CLARKE of New York: Petition of F. M. Conlon, superintendent Presbyterian Sunday School of Hancock, N. Y., requesting that instead of legalizing beer and repealing or modifying the eighteenth amendment that their United States Senators, their Congressmen at large, and their own Congressman vote for adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9991. Also, petition of Grace Fox, president Home Missionary Society of the Methodist Episcopal Church of Hancock, N. Y., requesting that instead of legalizing beer and repealing or modifying the eighteenth amendment that their United States Senators, their Congressmen at large, and their own Congressman vote for adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9992. Also, petition of Flora E. Lipp, chairman Baptist Church of Hancock, N. Y., requesting that instead of legalizing beer and repealing or modifying the eighteenth amendment that their United States Senators, their Congressmen at large, and their own Congressman vote for adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9993. Also, petition of Margaret West, superintendent Hancock Baptist Church School, Hancock, N. Y., requesting that instead of legalizing beer and repealing or modifying the eighteenth amendment that their United States Senators, their Congressman at large, and their own Congressman vote for adequate appropriations for law enforcement and a campaign of education in law observance; to the Committee on the Judiciary.

9994. By Mr. CONDON: Petition of Albert E. Whitaker, Elmer A. Wade, John W. Burke, Alfred South, and 201 other citizens, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9995. Also, petition of John F. Dowling, Elston H. Beede, and 286 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9996. Also, petition of William E. Arnold, James D. King, and 202 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial

to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9997. By Mr. DELANEY: Petition of the New York State Builders' Branch of the Associated General Contractors of America (Inc.), opposing House bill 9921, requiring general contractors to name their subcontractors and material men in their bids on Government work; to the Committee on Expenditures in the Executive Departments.

9998. Also, petition of the Amateur Cinema League (Inc.), of New York, urging the return of the 2-cent rate for first-class mail; to the Committee on Ways and Means.

9999. Also, petition of the Sapolin Co. (Inc.), of New York, protesting against amendment C to House bill 13991, levying a duty of 5 cents per pound on vegetable oils and fats; to the Committee on Ways and Means.

10000. Also, petition of John McQuade & Co. (Inc.), of Brooklyn, N. Y., opposing the domestic allotment bill, H. R. 13991; to the Committee on Agriculture.

10001. By Mr. FULMER: Concurrent resolution requesting the Congress of the United States of America to amend the law creating the Reconstruction Finance Corporation in order that States and subdivisions thereof may borrow directly money to meet the need of the said States and subdivisions thereof; to the Committee on Banking and Currency.

10002. By Mr. GARBER: Petition of the members of the Martin Farm Loan Association, of Buffalo, Okla., urging enactment of legislation to relieve the distressed condition of the farmers facing mortgage-foreclosure proceedings and dispossession of their homes; to the Committee on Banking and Currency.

10003. By Mr. GILLEN: Petition of members of Presbyterian Church of Greencastle, and of Methodist Church of Crawfordsville, Ind., protesting action against repeal of eighteenth amendment and legalization of beer; to the Committee on the Judiciary.

10004. Also, petition of John H. Suttle, secretary-treasurer district 11, United Mine Workers of America, Terre Haute, Ind., asking relief for 10,000 coal miners of Indiana; to the Committee on Interstate and Foreign Commerce.

10005. By Mr. LAMBERTSON: Petition of M. M. Murrell, of Meriden, president of the Jefferson County Ministerial Association, and O. W. Tate, of Nortonville, Kans., secretary of the association, favoring the improvement of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10006. By Mr. LINDSAY: Petition of I. Rokeach & Sons (Inc.), Brooklyn, N. Y., opposing oils and fats tax in domestic allotment bill, H. R. 13991; to the Committee on Agriculture.

10007. Also, petition of Federal Bar Association of New York City, opposing passage of House bill 14359, the bankruptcy bill; to the Committee on the Judiciary.

10008. Also, petition of Amateur Cinema League (Inc.) of New York City, favoring the return of the 2-cent first-class postage; to the Committee on Ways and Means.

10009. Also, petition of Sapolin Co. (Inc.), of New York City, opposing oils and fats tax in domestic allotment bill, H. R. 13991; to the Committee on Agriculture.

10010. Also, petition of New York State Builders' Branch, Associated General Contractors of America (Inc.), Utica, N. Y., opposing the passage of House bill 9921; to the Committee on Expenditures in the Executive Departments.

10011. Also, petition of the Silk Association of America (Inc.), New York City, referring to House bill 14105; to the Committee on Labor.

10012. By Mr. McFADDEN: Petition of Farmers Mutual Fire Insurance Co. of Tuscarora, Spring Hill, Wyalusing, Pa., favoring the restoration of the price level of agricultural products; to the Committee on Agriculture.

10013. By Mr. MAPES: Resolution of the Board of Supervisors of Kent County, Mich., requesting that Congress begin within 30 days, with war-time rapidity, construction of national public works of sufficient size to employ all unemployed labor at fair wages, to be financed by any or all of

the three ways, namely, gas tax, bonding, and, if necessary, a limited and controlled currency inflation, or provide some other suitable solution, etc.; to the Committee on Ways and Means.

10014. By Mr. RUDD: Petition of the World's Poultry Science Association, Ithaca, N. Y., favoring the participation of the United States in the Fifth World's Poultry Congress to be held in Rome in 1933, and for the necessary appropriation; to the Committee on Foreign Affairs.

10015. Also, petition of Sapolin Co. (Inc.), New York, opposing the oils and fats tax in the domestic allotment bill, H. R. 13991; to the Committee on Agriculture.

10016. Also, petition of the Silk Association of America (Inc.), New York City, referring to the Connery bill, H. R. 14105; to the Committee on Labor.

10017. Also, petition of New York State Builders Branch, Utica, N. Y., opposing the passage of House bill 9921, the Goss bill; to the Committee on Expenditures in the Executive Departments.

10018. By Mr. SELVIG: Petition of the Woman's Christian Temperance Union of Thief River Falls, Minn., urging establishment of a motion-picture commission for Federal regulation of motion-picture industry; to the Committee on Interstate and Foreign Commerce.

10019. By Mr. STALKER: Petition of 400 members of the churches of Painted Post, N. Y., signed by the following secretaries of classes: John Griswold, Men's Bible Class of the Baptist Church; Mrs. Whiley, Ever Ready Class of the Methodist Episcopal Church; Mary Mills, Hamilton Circle, Woman's Christian Temperance Union; and George Randall, Men's Bible Class, Methodist Episcopal Church, protesting against the return of beer and the repeal of the eighteenth amendment; to the Committee on the Judiciary.

10020. Also, petition of Effie L. Courtright and 25 other residents of Lowman, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10021. Also, petition of Mrs. John Hamilton and 50 other citizens of Horseheads, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10022. Also, petition of Mrs. L. A. Van Arnham and 50 other residents of Millport, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10023. Also, petition of Emma Cooper and 25 other residents of Chemung, N. Y., opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10024. Also, petition of 500 citizens of Elmira, N. Y., and vicinity, opposing legalization of alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

10025. By Mr. THURSTON: Petition signed by 177 citizens of Taylor County, Iowa, protesting against the modification or repeal of existing prohibition laws; to the Committee on the Judiciary.

SENATE

MONDAY, JANUARY 30, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 14363) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1934, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 212. An act for the relief of Messrs. Short, Ross, Shaw, and Mayhood;

S. 213. An act authorizing adjustment of the claim of Kenneth Carpenter;

S. 219. An act authorizing adjustment of the claims of Orem Wheatley, Kenneth Blaine, and Joseph R. Ball;

S. 252. An act authorizing adjustment of the claim of Johnson & Higgins;

S. 563. An act for the relief of George T. Johnson & Sons; and

H. R. 14436. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1933, and for other purposes.

CALL OF THE ROLL

The VICE PRESIDENT. The Senator from Tennessee [Mr. McKELLAR] has the floor on the unfinished business.

Mr. FESS. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Tennessee yield for that purpose?

Mr. McKELLAR. If I may do so without losing the floor.

The VICE PRESIDENT. The Senator will not lose the floor if he yields for that purpose.

Mr. McKELLAR. Very well.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kendrick	Schuyler
Austin	Dale	Keyes	Sheppard
Bankhead	Davis	King	Shipstead
Barbour	Dickinson	La Follette	Shortridge
Barkley	Dill	Logan	Smoot
Bingham	Fess	Long	Steiwer
Black	Fletcher	McGill	Stephens
Blaine	Frazier	McKellar	Swanson
Borah	George	McNary	Thomas, Idaho
Bratton	Glass	Metcalf	Thomas, Okla.
Brookhart	Glenn	Moses	Townsend
Broussard	Gore	Neely	Trammell
Bulwer	Grammer	Norbeck	Tydings
Byrnes	Hale	Norris	Vandenberg
Capper	Harrison	Nye	Wagner
Caraway	Hastings	Oddie	Walcott
Carey	Hatfield	Pittman	Walsh, Mass.
Connally	Hawes	Reed	Walsh, Mont.
Coolidge	Hayden	Reynolds	Watson
Copeland	Howell	Robinson, Ark.	Wheeler
Costigan	Hull	Robinson, Ind.	White
Couzens	Johnson	Russell	
	Kean	Schall	

Mr. FESS. I desire to announce that the Senator from Missouri [Mr. PATTERSON] is detained by reason of a death in his family. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

SENATOR FROM VERMONT

Mr. AUSTIN presented the credentials of PORTER H. DALE, chosen a Senator from the State of Vermont for the term commencing on the 4th of March, 1933, which were read and ordered to be placed on file, as follows:

STATE OF VERMONT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932, PORTER H. DALE was duly chosen by the qualified electors of the State of Vermont a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1933.

Witness: His excellency our governor, Stanley C. Wilson, and our seal hereto affixed at Montpelier, this 12th day of January, A. D. 1933.

STANLEY C. WILSON, Governor.

By the governor:
[SEAL.]

RAWSON C. MYRICK,
Secretary of State.